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10 July 1984

NEAR EAST/SOUTH ASIA REPORT

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CONTROL OF POPULATION GROWTH EMPHASIZED

Algiers REVOLUTION AFRICAINE in French No 1057, 25-31 May 84 pp 20-30

[Excerpts] An additional 700,000 inhabitants next year and even more in the years to come: At the current rate of natural growth, our population will double every 22 years. The long bus lines, the interminable waits at the El Fellah Souks, the housing crisis from which many Algerians suffer, the packed classrooms, crowded public places, the number of hospitals, clinics and maternity hospitals to be built, of doctors and nurses to be trained: It is an extraordinary social demand to be met.

Algiers, Constantine and Oran are cities visibly overpopulated with impressive numbers of children for whom the streets are their kingdom. Some 57 percent of the population is under the age of 19.

We have one of the highest population growth rates in the world, 3.2 percent a year, in the group with Mexico, Costa Rica and India. If it continues in this way, the increase in the number of births could have an undesirable influence on production structures, consumption and employment, while worsening the already existing problems of financing social programs. Social scientists note that underdevelopment is closely linked with demographic growth. These are all reasons for never neglecting population matters. Demography is a social science whose purpose is the quantitative study of human populations, their condition and variations through levels of marriage, births, fertility, divorce rates, mortality and even certain demographic indicators that we shall define.

From 1979 to 1981, the TBR [gross reproduction rate] went from 3.6 to 3.35 and the TNR [net reproduction rate] was stable at 2.7, which implies that the reduction in mortality has an effect on fertility.

Life expectancy tends to rise with progress in hygiene and health. Mothers tend to have their children later, which can be explained, either by the later age of marriage or the adoption of more contraceptive methods.

It will be noted that in 1967, the birth rate was 50.1, meaning 50 persons born for every 1,000 inhabitants. The mortality rate was 15.8, with 16 persons dying for every 1,000 inhabitants. The natural growth rate (TBN-TBM [gross birth rate-gross mortality rate]) is equal to 50.1 less 15.8, or 34.3. For every 1,000 inhabitants, 34 persons were added to the population in 1967.

Expressed in percentages (for every 100 inhabitants), the figure is 3.43. Starting in 1977, the two rates (TBN and TBM) drop except for 1978, concerning the gross birth rate only. In order to have a better perception of the figures, one takes the two rates (TBN and TBM) with a base figure of 100 starting in 1967.

Starting in 1977, mortality dropped much more quickly than the birth rate. This is due to the improvement in hygiene and health. It does not mean that the birth rate does not drop; it does, substantially.

<u>Year</u>	<u>Birth Rate (TN)</u>	<u>Mortality Rate (TM)</u>
1967	100	100
1968	95.2	110
1969	99.4	107.5
1970	100	103.8
1971	96.8	107.6
1972	96.2	100
1973	95	103.2
1974	92.8	95.6
1975	91.8	98.7
1976	90.8	98.7
1977	91.8	91.1
1978	95.2	81
1979	87.8	80.4
1980	87.6	74.7
1981	86.6	70.3
1982	85.6	66.5

Education and Employment

The level of education is also a pertinent variable explaining population growth, planners assure us. The more educated and developed a nation is, the more population growth drops by itself. The difference in education between the two sexes and therefore, between the husband and wife, is obvious.

Men rarely marry women having a higher level of education than their own. One nevertheless observes a strong trend toward marriage between husbands and wives of the same level. Marriages of illiterate couples are high compared with others. One also notes that marriages between young men and older women are more frequent than marriages between older men and younger women. In 1980, 26 percent of all divorced women remarried with single men. It has been observed that since 1966, marriages are becoming later and later for both sexes. The main factor explaining the phenomenon is the housing crisis, which is ever more acute, delaying many marriages. The current distribution by age reveals this changing trend in marriage.

It will be noted that over 65 percent of all married women are under 24 and 82 percent of the married men are under 29.

Marriages are also linked to social problems from which our country suffers.

Gross Rates of Birth, Mortality and Natural Growth of the Resident Algerian Population Since 1967

<u>Year</u>	<u>Birth Rate/1000</u>	<u>Mortality Rate/1000</u>	<u>Natural Growth Rate</u>
1967	50.1	15.8	3.43
1968	47.7	17.4	3.04
1969	49.8	17.0	3.28
1970	50.1	16.4	3.37
1971	48.5	17.0	3.15
1972	48.2	15.8	3.23
1973	47.6	16.3	3.13
1974	46.5	15.1	3.14
1975	46.0	15.6	3.05
1976	45.5	15.6	2.98
1977	46.0	14.4	3.16
1978	47.7	12.8	3.09
1979	44.0	12.7	3.13
1980	43.9	11.8	3.21
1981	43.4	11.1	3.23
1982	42.9	10.5	3.24

Growth in population also means the growth in sanitary needs. Sanitary conditions are in fact vital to the hygiene and health of the couple and the children.

Growth in Sanitary Needs

Since the end of the 1970's, more and more importance has been attached to social aspects. Nearly one-third of all programmed investments are social in nature. In the rest of the world, moreover, the theory of development in fashion is that of basic needs. For several finance organizations such as the World Bank, projects to be selected are those that improve and raise the standard of living of the people. For those institutions, improving the standard of living of the local population means promoting development. During the 1967-1978 period, social projects programmed were nearly all delayed and had investment surcosts, but since that time, there has been a reversal in the trend and 1984 is a year when efforts to build hospitals and clinics, along with medical personnel training centers, will be intensified. A pharmaceutical industry will be created adapted to our needs and true potential.

And yet, our needs are still urgent in the field of health, as shown by these statistics.

Based on the 1982 data on health infrastructures and medical personnel and assuming that one will still have the same population growth rate, we made the following projections for 1983, 1984, 1985 and 1986, in order to determine how many medical personnel will have to be trained. It is naturally assumed that the 1982 figures will follow the same structure until 1986 and will not experience substantial variations. Consequently, on the basis of a minimum

of 1,500 inhabitants per doctor, 5,000 inhabitants per surgeon-dentist and 10,000 inhabitants per pharmacist to be reached in 1986, we shall have to train 7,328 doctors, 2,455 surgeon-dentists and 1,196 pharmacists over the 1983-1986 period.

Housing the Population and Limiting Population Growth

But the efficiency of our health coverage is not the only human requirement. There is also, as one may have guessed, the famous problem of housing. For 15 years, between 1963 and 1977, we based our development on the industry that annihilated most of our financial resources, to the detriment of the building and public works sector, however vital it may be to the advancement of man in society. Healthy people in decent housing are more productive than sick, ignorant individuals. La Palisse could not have said it better. But La Palisse did not know the Third World. An estimated 2.55 million housing units exist for 1984. It should be recalled that for the Ministry of Housing and Construction, housing means an average of three rooms, plus kitchen and bath. The rate of occupancy per home is now 7. To reduce that figure to 5, based on the three projected demographic growth rates of 3.2, 2 and 0 percent, one will have to build 272,000, 209,000 and 106,000 units each year every year between 1985 and the year 2000. These figures send planners into a cold sweat.

Is the housing crisis impossible to solve? Actually, we have one of the highest building costs per square meter in the world. There are several reasons for this, first of all, too many imported raw materials. Occasionally, foreign companies are even brought in for the construction using these raw materials whose price is set and calculated by Westerners. These foreign companies, which are subject to competition, do their utmost, mobilizing all human and material means and sometimes working 24 hours a day, to keep on building schedules. We continue to ask questions.

Is the size of our public works enterprises adapted to such work? Should we increase the number of private construction companies, subsidizing them and requiring they respect both construction and payment schedules, while increasing the productivity of construction workers by interesting them in production through the purchase of housing?

No citizen is unaware that housing predictions are still far from meeting objectives. All that was expected of the land reserve operations and other construction was not immediately achieved. Combining all public and private construction, Algeria still cannot stabilize the housing shortage. On the contrary, it grows worse from year to year.

One of the other needs that is directly proportional to population growth is education. The school-age population in basic schools (6 to 15) grows every year at a rate of 4.2 percent. For 5,104,000 children in 1980, there will be 9,040,000 by the year 2000. Furthermore, current rates of school attendance reveal major distortions based on area and sex. The rate of school attendance for boys is 81 percent, while that for girls is 60 percent. In rural areas, the figure drops to only 40 percent. Every class is crammed with nearly 46 students and the pupil-teacher ratio is 1 to 35.

Distribution of Active Population

Urban areas: 89 percent male; 11 percent female

Rural areas: 99 percent male; 1 percent female

Percentage of Marriage Based on Age (Women)

<u>Age</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
24	87.3	85.8	84.4	83.5	83.9
25-39	11.7	13	14.9	15.2	15
40 and over	0.1	1.2	0.7	1.3	1.1

Efforts are now being made to meet the human and material needs of the mass of newcomers who enter the schools for the first time each year. Educational planning is imperative. Such planning must be based on the country's needs for doctors, engineers, technicians and workers. It is obvious that one can train based only on jobs to be filled in the future in order to avoid wasting human resources. These resources constitute the real, invaluable resource of the nation. Through his knowledge and innovations, man will be able to shape the world of tomorrow.

At a rate of 4.2 percent a year, the Algerian active population numbered 2,678,000 in 1980, 4.29 million in 1983 and will reach 5.58 million in 1989 (estimated) and 8,327,000 by the year 2000. The overall rate of activity by the year 2000 will be 24.2 percent. Did President Chadli himself not say at the Fifth Congress that "the size of that population will require decisive changes in the expansion of the economic base, particularly the directly productive sectors, in order to have jobs? It is not a matter of creating employment for employment's sake, but of creating productive employment. The history of the "chief gopher" is not to be repeated. Henceforth, every job must be created in terms of its economic profitability and not based on political considerations.

The working world remains an exclusively masculine world whose laws were drawn up by men. This situation is peculiar to all countries in the world and especially Third World countries, where it is obvious. In the developed countries, it is exhibited in different pay for the two sexes although they often have the same responsibilities. In our country, the rate of female employment is very low in the rural world. Women are often considered as consumers, brooders and not as producers because their work in the rural world is generally poorly grasped by statistics. It is done in the family environment, meaning unpaid domestic work.

Employment and School Attendance in the Rural World

However, these rural women, who raise their children, do the cooking and preserving of food, handle the grain after the harvest, carry water and fuel, are in fact involved in many tasks. One might say that the inhabitants of the rural areas are thus in a situation of overemployment and unpaid work. Saying that rural women are subject to religious constraints in gaining

employment is to misinterpret the facts and have a very limited view of employment. Rural women are economically active in all Muslim countries.

It has been noted that Algeria is the Muslim country with the lowest rate of employment among rural women. Expressed in terms of the total population, Algeria's rate is 1.81, while that of Egypt is 4.06, Kuwait 5.22, Morocco 7.47, Sudan 6.64 and Tunisia 3.62. Are rural women increasing their own value in their homes by the number of children they can bring into the world during their fertile life?

These high levels of fertility involve great health risks both to the mothers and the children. The risk is particularly high at the extreme ends of the period of fertility and when pregnancies are too close together. Tension and fatigue affect the health of women because of overwork, the diseases of children such as diarrhea, which often causes death, and also malnutrition, poor hygiene and ignorance. Most children's diseases remain linked to the pollution of water. Better water is a fundamental element if one wants to improve health. Education on strategies of family well-being should be given to midwives and social workers.

The role of midwives and social workers is more than decisive in the education of the masses. Pre- and postnatal care and visits to maternity clinics by midwives help improve the health and condition of women. Although the health situation is improving, as shown by the increased life expectancy, enormous strides must yet be taken, especially in rural areas. The education and training of rural women are essential for these are factors promoting national development and bringing about positive changes in the living conditions of the population.

Through school statistics, one also notes that rural women constitute the majority of the illiterate population in 1975. This is shown by the rates of school attendance of girls.

In most of these countries, the rate of school attendance of girls from the ages of 12 to 17 is lower than that of girls from 6 to 11. The schooling of girls tends to be cut short for it is thought that they must be prepared to be good wives and good mothers. Preference is given to boys when thinking of the need for education, while girls are kept at home to help their mothers, overloaded with domestic chores. Problems of health, education, employment and housing are connected with development of the territory. Our territorial space, which exceeds 2 million square kilometers, must be taken advantage of by planned, coherent development, patterned after the new administrative structure divided into regions of economic programs, university regions, and so on. Regionally speaking, fertility, marriage, divorce rates, mortality and juvenile delinquency are different. All disparities recorded are accentuated by regional migrations, inconsistent shifts of individuals searching for possible employment or a so-called better life. One can understand why Algeria is adopting a policy of "geodemocracy," trying to set up the provisions needed to balance the distribution of the population throughout the different regions of the territory. This is perceptible with respect to the decentralization of government administrations, the reorganization of enterprises, elimination of shantytowns and many other decisions.

Doctors, Surgeon-Dentists, Pharmacists To Be Trained by 1986

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Population	20,800,000	21,500,000	22,180,000	22,900,000
No. inhabitants per doctor	2,300	2,000	1,800	1,500
To be trained per year	2,059	1,707	1,572	1,990
Total personnel	9,043	10,750	12,322	14,312
No. inhabitants surgeon/dentist	8,500	7,500	6,000	5,000
To be trained per year	328	415	831	881
Total personnel	2,450	2,865	3,696	4,578
No. inhabitants per pharmacist	15,500	14,000	12,500	10,000
To be trained per year	251	191	239	515
Total personnel	1,344	1,535	1,774	2,289

A great deal remains to be done in this field because 87 percent of the population lives on only 17 percent of the national territory. On the order of 7.32 inhabitants per square kilometer on the average, the general density varies enormously. In Blida, it is 200 inhabitants per square kilometer, while in Algiers, it is 2,500 per square kilometer. The problem of an imbalanced distribution of the population was worsened during the 1967-1978 period with an unprecedented rural exodus, estimated to total 1.3 million inhabitants.

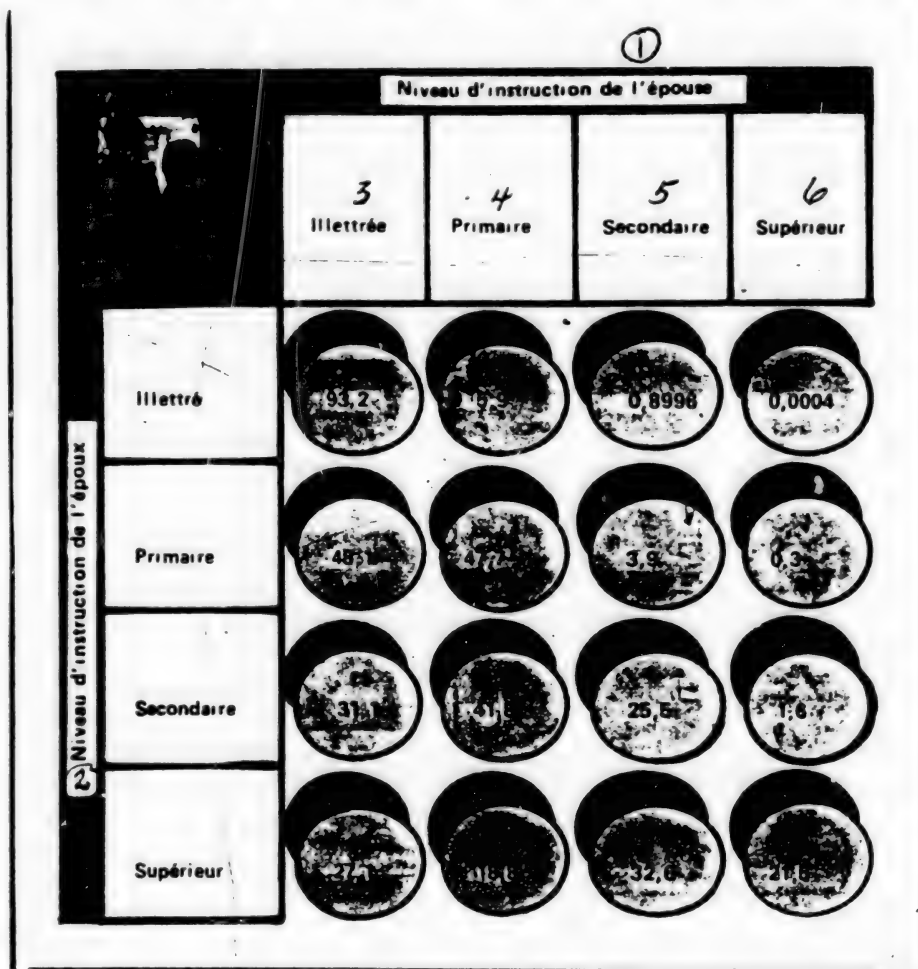
Through a regional employment balance, we could put an end to the rural exodus. By an interregional economic and social complementariness, we could improve rural life. There would result a settling down and attachment of the people to their native soil. A new rural world could perhaps be better than the urban world.

There has been talk of birth control through the Family Planning Organization, feminine and even masculine sterilization (with some success, moreover!) and of many other ways of limiting population growth. In this connection, Algeria's position is fairly clear, as President Chadli affirmed at the Fifth Congress: "Our attitude on this problem has been an attitude of responsibility. We do not want to ignore it or make it responsible for all our debacles and the imperfections from which our economic and social development suffers."

Developing the national territory also means setting up the economic and social infrastructures in the rural world, where peasant life seems to be a strong influenced on fertility. What chance is there of spacing births?

One can change little in traditional peasant attitudes if one is content to set up centers of spacing births and telling people over and over that Islam is not opposed to birth control under certain conditions. The rural world must be socially and economically developed. Peasants must view themselves as living on a level above mere subsistence.

Distribution of Marriages Based on Educational Level of Couple in 1980 (%)



Key:

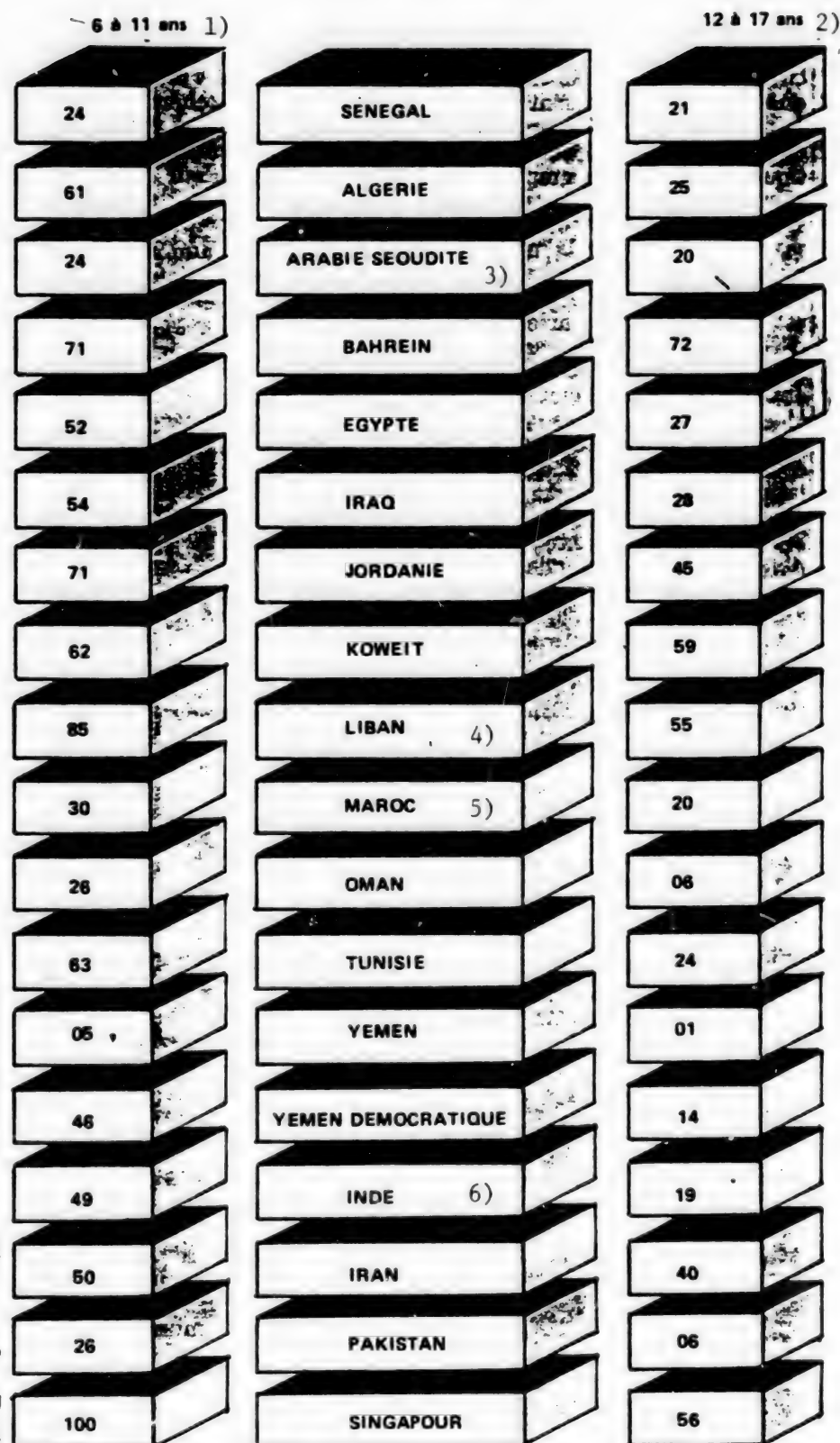
1. Level of education of wife
2. Level of education of husband
3. Illiterate
4. Primary
5. Secondary
6. Higher education

One might note the experience of Japan, which was motivated and predisposed toward applying a deliberate population policy without the intervention of the government in rural or urban areas.

The essential factor is the degree of education of the Japanese population.

For generations, the Japanese have attributed exceptional importance to education. The Meiji restoration in 1867 founded a modern system of general education for the entire population. It designates the new era of the enlightened government under the reign of Emperor Meiji Teuno in Japan. Even before, instruction had been highly viewed as a personal asset.

School Attendance of Girls (1975)



Key:

1. 6-11 yrs.
2. 12-17 yrs.
3. Saudi Arabia
4. Lebanon
5. Morocco
6. India

Source : Document (Juin 1980)

Many communities set up private institutions in which a tutor taught several students to read and write. Education had an obvious effect on the application of the population policy. The population can easily be informed about the matter by people more receptive to ideas.

Spacing of Births and Contraception

In our country, there is increasing talk of the spacing of births. A program of government action entitled the birth spacing program (PEN) was adopted on 20 February 1983 by an interministerial committee. Since that time, seminars have been organized (including the one for social welfare workers), along with radio and television programs, debates, lectures, reports and films. A whole series of action, education and awareness training has been implemented by mobilizing all institutions in order to have conscious and deliberate support for the principle of the regulation of births.

Formerly, the high birth rate was a response of our society, driven by a will for survival vis-a-vis colonialism. Independence definitely changed the picture. Since that time, progress has been made to reduce mortality. Ways of thinking have now changed and people are more inclined to accept advice at birth spacing centers (CEN). However, this remains minor compared with what is being done in other countries.

Economically Active Female Population in Rural Areas; Total Percentage of Population of Each Country

Algeria	1.61
Saudi Arabia	2.50
Egypt	4.06
Iraq	2.07
Jordan	2.87
Kuwait	5.22
Morocco	7.47
Libya	2.60
Syria	5.73
Sudan	6.64
Tunisia	3.62
Yemen	2.43
Democratic Yemen	2.65

Compared with the developed and underdeveloped countries, with the exception of Morocco, Algeria uses contraceptive methods very little.

The pill is the most widely used method in Algeria. Actually, there is no ideal contraceptive because the choice has to be based on several criteria: The effectiveness of a method compared with another is measured by the minimum failure rate. One must consider the health of the woman who may be allergic to a given method (hypertension, obesity, and so on). Finally, there is the free choice of women based on their religious and moral options.

What does one call contraception or birth control? It includes all means to prevent conception in a temporary, reversible fashion. Actually, a woman can always regain the fertility she had before the use of the contraceptive product. Naturally, excluded from this definition are procedures of sterilization (tying of the tubes and vasectomy), whose result is permanent.

Contraceptive Methods

Several contraceptive means have been identified. Methods of periodic abstinence are all based on a risky calculation of probabilities, with the exception of the temperature-taking method.

	<u>1975</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Number of birth control centers	38	156	237	260
New participants	12,784	50,352	82,076	104,414
Total consultations	47,998	170,912	331,889	473,966

The Ogino method discovered in 1924 by a Japanese surgeon: This method requires a study of the length of the 12 last menstrual cycles. One subtracts 18 from the number of days of the shortest cycle to obtain the first day of fertility and 11 from the number of days of the longest cycle to obtain the last day of fertility.

Knaus method: This consists of subtracting 13 (15-3) from the number of days of the longest cycle to obtain the last day of fertility. Less effective than the Ogino method, its failure rate varies between 7 and 38 percent, depending on the different social classes.

Temperature method: This method consists of using the curve of daily morning temperatures to determine the date of ovulation. Failure rate varies between 1 and 7 percent.

Mixed method: the Ogino method and the temperature method.

Coitus interruptus: This is the oldest method used. It requires strict self-control and withdrawal after the beginning of ejaculation. Used by the Prophet Muhammad (God's messenger; may peace be with him) and is therefore permitted for Muslims. The Muslims call the method "El Azl."

Coitus reservatus requires sexual mastery and results in acute urine retention among prostatics.

Coitus obstructus consists of squeezing the base of the penis, thinking of something else and halting respiration.

Male contraceptives (condoms): This is a contraceptive the origin of whose name is unknown. The French call it the "English sheath" and the English call it the "French sheath" or "French letter." The rate of failure is 7 percent.

Use of Contraceptive Methods

<u>Country</u>	<u>Contra. Method</u>	<u>Pill</u>	<u>IUD's</u>
France	78%	28%	9%
England	74%	26%	5.9%
United States	68%	20%	5%
Spain	52%	13%	1%
Algeria	10%	8%	2%
India	24%	8%	?
Morocco	6.2%		
Tunisia	24%	6%	
Egypt	22%		
Brazil		8.4%	
Venezuela		10%	
Argentina		10%	

Source: Ministry of Health document (1982)

Local spermicides: Under usual conditions of use, such products cause the rapid death or irreversible immobilization of sperm. Their use is accompanied by creams and jellies, vaginal suppositories or foam tablets. Rate of failure varies from 10 to 30 percent.

Diaphragms: This is a kind of local barrier used to prevent sperm from entering the cervix. It is used along with a spermicide to increase effectiveness.

Oral contraceptives (CO): This is the oral method of contraception and means the pill (discovered in 1956 by Pincus).

The combined method of pill means that each capsule contains an estrogen product along with a synthetic progestogen. Rate of effectiveness is 100 percent.

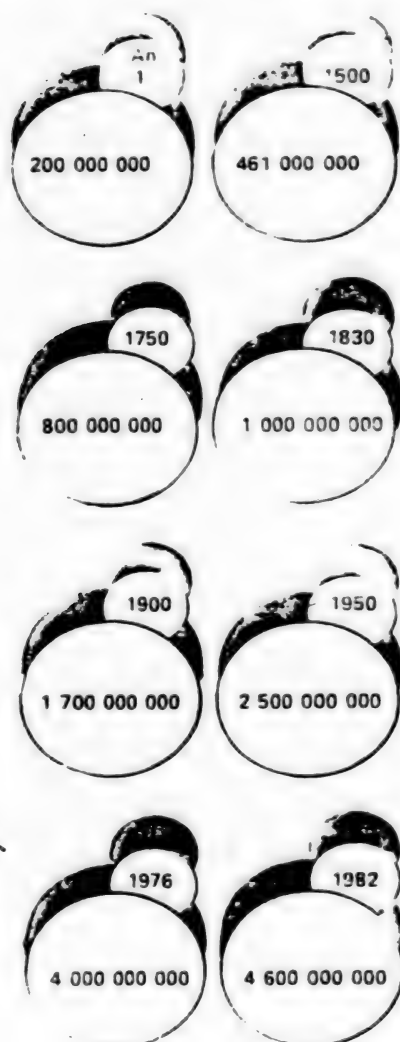
The sequential method is based on the anti-ovulatory properties of high doses of estrogen with synthetic progestogens added the last days of treatment only to obtain regular bleeding. Rate of failure is .5 to 4 percent.

The interrupted method uses small doses of progestogens administered daily. In principle, they do not inhibit ovulation. Rate of failure is 2 to 8 percent.

However, one has to stop taking these contraceptives one month before any surgery, and their use is not recommended when there is a personal or family record of stroke or any tendency toward stroke.

Intrauterine devices (IUD's): The presence of a foreign body in the uterine cavity prevents pregnancy. There are polyethylene IUD's and those with a copper wire are the most widely used. There are several types.

Estimates of World Population

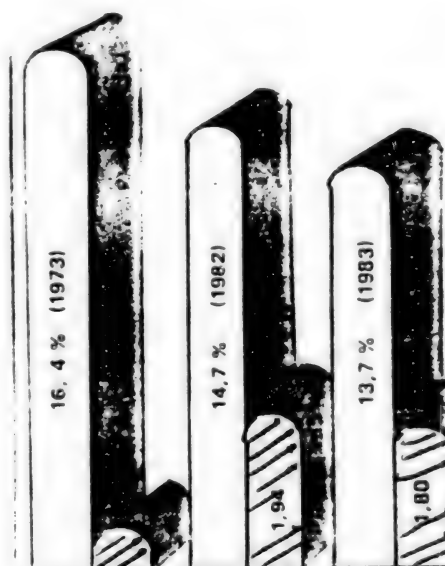


By the year 2000, the world population will be some 6.2 million.

Table at right:

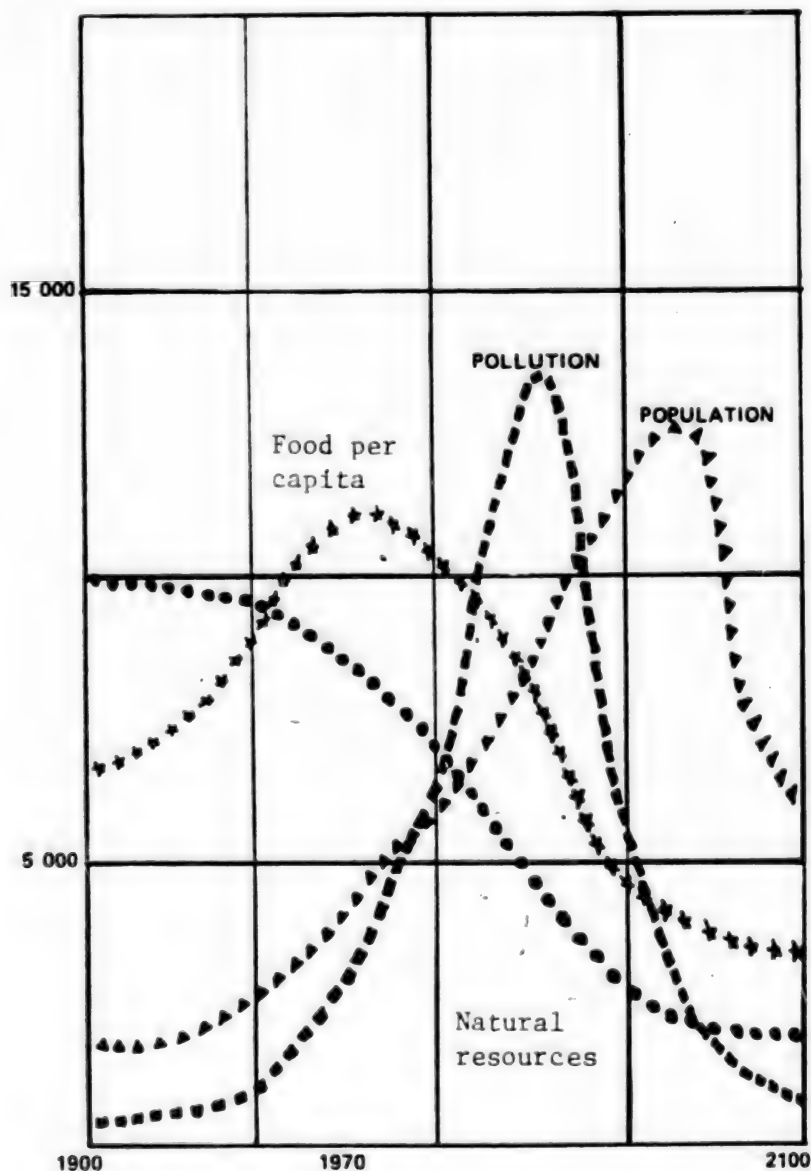
Left: birth rate

Shaded area on right: Number of children per fertile woman.



The male pill: Now in the stage of studies to determine effectiveness, although it is already available in pharmacies in France under the name "Farlutal" and other commercial brand names. Will men also have to "swallow" the pill or will they take turns with their wives? It is a question that remains to be answered.

Standard Projection of the Model



Scribes of Ancient Egypt

The idea of protecting oneself against the risk of pregnancy goes back to Antiquity.

Found Egyptian papyrus discovered speak of various formulas for making vaginal pessaries by using honey, the excrement of crocodiles and elephants, and so on.

In ancient times, the Arabs places stones in the uterus of camels before crossing the desert, thus becoming the inventers of the precursor of the intrauterine device.

Greek writings also give a recipe for an actual "pill for a year" made of "misy," a mysterious substance as yet unidentified.

The real rise of contraception dates from the discovery of the pill in 1956 by Gregory Goodwin Pincus, an American biologist-doctor, and the development of intrauterine devices (IUD's) in 1959.

Islam and Population

The low level of education of the population of Algeria is mainly manifested in certain milieus that confuse the Muslim religion with their own beliefs held as certain, as stated by an American author: "In a civilization," he said, "there is a great tradition of the minority that reflects and a lesser tradition of the masses, the majority not given to reflection. The religion of the theologian, the philosopher, the man of letters is a tradition consciously cultivated and transmitted. That of the masses is generally considered to be acquired. It is not subject to complex examination and is scarcely improved upon or refined in a reflective fashion. What is Islam's opinion of certain population policies? In order to interpret any phenomenon, Islamic law first of all looks to the Koran and the Hadith (prophetic tradition), those written by El Boukhari and Muslim, the two authors considered by all Muslims as authentic. When the Koran and the Hadith do not give precise instructions, Muslim jurists resort to the Ijtihad, the use of the faculty of reason for the formulation of an opinion called "fatwa," the resulting text.

In the Hadith, mention is made of the practice of coitus interruptus, called "El Azl" in Arabic, a contraceptive method known at that time. Coitus interruptus is a method of periodic abstinence. At the time of intercourse, withdrawal comes after the beginning of ejaculation. Reference is made to the following Hadiths: A man says to the messenger may peace and good health be with him: "I have a young wife, I hate for her to be pregnant and I want what all men desire, but the Jews claim that coitus interruptus is a kind of infanticide." The messenger replies: "The Jews lie. If God wanted to create a child, you would not be able to divert him from his design." Another Hadith mentions that "the Messenger Muhammad, may peace and health be with him, uses El Azl only with the permission of his wife."

The four schools of Islamic law named after their imams (El Hanafi, El Mallki, El Hanball and Echafel), which form the basis for decisions on the law (sharia), have all authorized the use of coitus interruptus, the only method of contraception known at the time of the four imams. The muftis of several Muslim countries, particularly the Egyptians (Dr Mohamed El Bahl, Imam Ahmed Cheltout, Ibn Quaim El Djaouzi and others) have issued "fatwates" on the subject of birth control in the Muslim religion.

In our country, the High Islamic Council, after consulting many competent persons in Islamic theology, issued the following opinion on birth control:

- 1) that it be practiced on an individual basis in the case of existing or future need, concerning the mother or her living or unborn children;
- 2) that the determination of this need be reserved for the persons involved.
- 3) If the government deems it necessary to take any measures on this subject, it is very desirable, in our opinion, that it first organize a campaign of civic awareness among the masses to explain conditions to be fulfilled, in order to have healthy children. This orientation should not in any way be absolute.
- 4) that persons in the aforementioned cases, be given all means necessary for their protection so that they do not follow any dangerous path that might worsen their case and have negative effects.

Finally, it should be recalled that all precautions in question must be within the legal framework.

May God lead us along the path of righteousness and good.

However, all Muslim muftis are against sterilization that would prevent a couple from having more children. If one assumes that a couple resorts to sterilization because they already have three or four children, it can never be foreseen that these children, who in a sense constitute their reason for living, will continue in this world in the far future. The destiny of each of us is unknown and no one can avoid it.

11,464

CSO: 4519/181

CDT CRITICIZES GOVERNMENT ECONOMIC POLICY

Casablanca AL-ITTIHAD AL-ISHTIRAKI in Arabic 1 May 84 p 3

[Article: "The CDT's Position Concerning the Current Crisis: What the Working Class Is Suffering From Constitutes an Objective Obstacle to the Growth of Our National Economy and Social Progress"]

[Text] The CDT [Democratic Labor Confederation] has already sent several memorandums to the previous government in which it called that government's attention to the dangers which were arising as a result of the deterioration of the economic and social situation, and it mentioned these proposals once again during the dialogue which took place with the government last February.

The following is a presentation of a portion of a paper concerning the economy which was presented during one of the union meetings held in the CDT headquarters at the beginning of this year:

Ever since it was established, the CDT has constantly called the attention of our leaders and national public opinion to the serious decline which we have seen taking place in our nation's economic situation. This is a time in our history when we are greatly in need of a strong economy in order to be able to deal with the historic challenges which we as a nation and as a civilized entity are faced with.

Our repeated warnings to our leaders and to those segments and classes of our society which are deriving benefit from our present economic structure are not primarily the result of the logic of an economic theory which we have selected as an alternative to the currently prevailing economic approach, nor are they primarily a reflection of the commitment which our organization has made to defend the demands of the workers. They are mainly an expression of the reality of our life in which the consequences of the economic policy being followed are being felt. These consequences are clearly to be seen in the continual decline of production as well as the rise in unemployment and increase in dismissals of workers which are associated with it. They are also to be seen in the rise in the cost of living which is occurring without parallel increases in wages and the resulting decrease in the purchasing power of the broadest segments of our population. Furthermore, the consequences are also to be seen in the fact that our nation is always a dependency of the centers of imperialist hegemony--centers whose domination

is steadily increasing in vital areas which affect public consumption, such as our food supply, and which, by means of financing, affect the development pattern of our production and economic structure.

Effects of the Economic Crisis on the Situation of the Working Class

By pointing out these phenomena we are not attempting to make a value judgment concerning our nation's present condition. We are merely pointing out, in an objective manner, some salient features which characterize our nation today. No one can any longer deny the dangers entailed by our present situation or that it is impossible to continue the policy responsible for this situation--unless such a person's heart and eyes have been blinded by God.

The size of our GDP has not progressed at all since 1980. The slight increase in the GDP which has occurred has taken place only due to the slight expansion which has occurred in services provided by government agencies.

What this means is that the GDP per capita has decreased by 3 percent per year, and this is something which has had a strong effect on the level of employment in our nation.

Unemployment, in both its manifest and disguised forms, is something which affects about 3 million--that is, about 50 percent--of our employable inhabitants. During the last 3 years no real additional positions of employment have been created. In fact, the last 3 years have seen an increase in the dangers of unemployment for at least one-fifth of those in our nation who are either totally or partially unemployed.

Thus the decline in the economy which is affecting the source of livelihood of the working class is also affecting the dignity of this class of people. It means that masses of young people are having to search for work, and it means that workers are being dismissed and laid off.

Furthermore, for the working class and all of the low-income sectors of our population it means a further decline in their purchasing power.

A Tragic Situation--As Shown by Statistics

According to official statistics the cost of living went up about 80 percent from the beginning of 1978 to 1983. However, studies made by the CDT which are based on criteria which are more serious and more applicable to our real situation, which use these same official statistics as a basis, and which also take into consideration the development of production and the demand for the money supply as well as other means of financing, have shown that the total increase in prices and values was more than 120 percent during this same period of time (that is, 1978-83).

How did wages fare as compared to these increases?

During the same period of time wages, for all practical purposes, were frozen. They increased only 20 percent. This obviously means that the purchasing power of the working class, including people in both the private and public sectors, declined by about 100 percent.

Moreover, the successive decisions made to establish a minimum wage level have had no practical effect in terms of stopping this decline as far as the workers employed at this general wage level are concerned. This has been true because these decisions have been widely ignored. That is to say, the decisions to raise the minimum wage level have not been put into effect.

This tragic situation, the victims of which are the working class, proletariat, farmers, low-level employees, and people in all the other low-income categories, constitutes a fundamental objective obstacle along the path to the growth of the national economy and social progress in our nation. Because of this, the national domestic market is shrinking to a dreadful degree and all agricultural and industrial activity is linked to the absorption capacity of foreign markets where there is growing competition from the other nations of the Third World. All of this is taking place within a framework predominantly characterized by the protectionism which is being resorted to by the industrial nations which for years have been suffering from a recession in their economies and experiencing growing unemployment.

The Price of Being Economically Dependent

This is what is causing our nation to continually have a deficit in its balance of trade with these nations whose goods we are buying in such large quantities. At the same time, since we are linked to these markets, we are forced to follow a liberal policy in the field of foreign trade. Because of this liberal policy, we lose a great many of our resources due to our importation of luxury consumer goods, and at the same time we must resort to additional foreign loans in order to provide for our people's vital daily needs.

Our rate of matching our imports by our exports has gone down to less than 50 percent. Furthermore, our current account balance with foreign nations, which showed a surplus during the years 1973 and 1974, is now suffering a deficit of 11.4 billion dirhams--that is, the equivalent of 13 percent of our GDP.

If we realize that our current account deficit has been the same as our public budget deficit for years, and if we realize that this deficit is being covered by means of resorting to foreign loans, then we can clearly see the danger of the situation and, at the same time, we see the basic cause of it. This danger becomes obvious when we realize that Morocco's debt has gone up to nearly \$13 billion--that is, almost 100 billion dirhams. This amounts to 110 percent of Morocco's GDP. Expressed in other terms, this means that each individual Moroccan--whether a child, a young person, or a middle-age person--has a foreign debt of more than 5,000 dirhams.

The basic cause of all this is the fact that our nation's surplus production is being utilized to cover the needs of the wealthy class which, by virtue of its luxury-oriented and spendthrift consumption pattern, lives above the level of the wealthy classes even in the advanced nations. This is something which squanders our savings resources and makes it appear that our nation is living beyond its means.

For Whose Benefit Is There Local "Rectification" From Abroad

This is the dangerous situation which exists in our nation today. In view of this, how can we be expected to applaud the policy followed by those responsible for bringing about this situation and who wish to deal with it by means of following a policy which is called the "policy of rectification," which is based on instructions that are handed down by the IMF?

It is difficult for them to expect us to agree with their policy, which relies on the following four approaches:

1. A hiring freeze. The hiring that was allowed in 1983 represents only 10 percent of what was allowed during previous years.
2. Reduction in the volume of investments. This reduction is to be a reduction of at least 40 percent of what was decided upon in the 1981-85 5-year plan.
3. Reduction in price supports for basic items. These are the tyrannical decisions which burned us in September of 1980, May of 1981, May of 1982, and August of 1983.
4. Curtailment of public education. The figures for school attendance--including elementary, secondary, and higher education--show that Morocco is near the bottom of the list in this regard even when compared to the other undeveloped nations of Asia, Africa, and Latin America. The fact is that our nation has one of the highest illiteracy rates in the world--65 percent, according to official statistics.

As Moroccan patriots and citizens who sincerely wish to consolidate the basic factors of our nation's existence and respond to the challenges of the future, and as members of a working class which represents a source of national wealth, we can only reject this policy. As people possessing awareness and who are engaged in an organized and responsible struggle, we oppose the so-called "policy of rectification." This policy is actually a policy of rectification of special privileges and a policy of linking our nation to the centers of world capitalism--at the expense of the standard of living of our masses as well as the educational, health, and other needs required by our masses in order to live a decent life.

Concerning this matter--with all due respect regarding the royal decree stipulating that there be no new reductions in the government's price supports for basic commodities--we express our belief that there is no way out

of this situation of inertia, aggravation of regional and class differences, and reduction of the masses' purchasing power other than by means of following a new policy which would have the objective of developing our nation's economic and social structure in order that it be capable of undertaking the economic, social, and cultural advancement which would constitute a response to the legitimate aspirations of our masses.

The Need to Change Our Present Orientation

We are not underestimating the negative effects of circumstantial factors such as the drought, the slump suffered by some of our basic products such as phosphates in the world market, and the burden on our economy which is represented by oil payments. Our working class has always worked for the benefit of our nation throughout all of the stages of our nation's development--no matter how long these stages have been. This same working class is prepared to do its entire duty in the effort to raise our nation's economic level and push forward with the process of our nation's social progress--if the fundamental options chosen by our nation are ones which are in line with what our nation requires in order to be economically independent of the centers of imperialist hegemony, to stimulate the production sectors oriented toward satisfying domestic needs, to establish a system of national education which would guarantee our nation's technological advancement and social progress, and to increase social investments intended for the benefit of all of society.

The CDT is appealing for our nation's policy to be changed so that it follows this orientation. It is certain that every effort to use the international crisis as a pretext is nothing more than an effort to keep the structure of our economy linked to foreign nations--for the benefit of those classes of people who have emerged due to the policy of economic dependence and who are profiting from a continuation of this policy at the expense of our nation's strength, industry, and the standard of living of its inhabitants.

The international crisis is essentially only an expression of the new structure of the capitalist economies as well as the adaptation of the pattern of capital accumulation to the development of the production forces and economic and social relations in these economies.

The appropriate thing for us as a nation and a people--since we must take into consideration the development of the international economic milieu around us--is to view this situation as an incentive for us to follow a policy of economically, socially, and culturally providing our nation with the basic elements which it needs in order for it to grow and to increase its capacity to stand firm in the face of the various types of hegemony and domination.

Let Us Join Our Forces

It is within this framework that we are directing the following appeal to the various parties engaged in production: Let us join our forces. Let us strive to maintain a good level of employment and expand areas of employment in order to push forward with the development and growth of our economy, and let us

do so on the basis of respecting the democratic rights of the Moroccan people. These rights include the right of the working class to engage in all the efforts necessary to defend its rights which are guaranteed by our laws and by our constitution.

It is in pursuit of this goal that the working class, led by the CDT, will keep on striving, together with the various authentic national organizations, to bring about the establishment of real democracy in our country.

9468

CSO: 4504/274

STATISTICS ON UNEMPLOYMENT QUESTIONED

Casablanca AL-ITTIHAD AL-ISHTIRAKI in Arabic 1 May 84 p 3

[Article by al-Mahdi (Lahlu): "Concerning the 1982 Statistics on Unemployment in Morocco"]

[Text] Recently the initial results were published of statistics being compiled concerning population and housing utilization. These initial statistics are based on a sample representing 5 percent of the total population, a census of which was made in September of 1982.

These statistical results deal with the number of employable and unemployed persons in our population and show the changes which have taken place in these two categories between the years 1971 and 1982.

These initial statistics show that the total number of employable persons has gone up to about 6 million (5,999,260 persons). This represents 29.6 percent of the total population. This figure includes 1,118,280 out of a total of 10,200,000 females and 4,817,980 out of a total of 10,052,000 males.

Between 1971 and 1982 the average rate of increase in the number of employable persons was 3.6 percent per year.

These statistics also show that the number of unemployed persons went up to 642,182 (516,132 males and 126,050 females). This represents 10.7 percent of the total number of employable persons. In 1971 this figure was only 8.8 percent.

This recent rate of increase is significant when compared with those that we currently see in all of the advanced nations, especially when it is put within the context of the actual development which Morocco has experienced--particularly since the years 1977 and 1978. However, one cannot say--even under the most favorable circumstances--that it is a reason to feel optimistic when one takes into account the actual number of employable persons and unemployed persons in our country.

When one examines the definitions used in the statistics, the estimates of the rates of employment--especially with regard to females--and the condition of the Moroccan economy during recent years--including the development of

potential for employment in our economy--the following basic facts, on the whole, become evident:

1. Those in charge of the process of compiling the statistics attempted to consider as employable persons who are working even though their age does not permit them to be employed. This consideration made it possible to reduce the rate of unemployment without this affecting the number of those who are unemployed.
2. A large number of those who are not employed are not counted as being employable persons and thus are not counted as unemployed since it is considered that they are "looking for work"--without the nature or circumstances of this search for work being specified. This category, in particular, includes the huge number of women who are classified as "homemakers."
3. The statistics say that a total of about 1.55 million new employment opportunities were created between 1971 and 1982. This comes down to more than 145,000 such new employment opportunities per year. One can be certain that this figure is exaggerated when one uses as a basis the rate of increase in national production and the level of investment which Morocco has experienced since the late seventies.

Remarks Concerning the Definitions Used by the Statistics

According to the definitions utilized by the statistics, employable persons are considered to be "all persons of both sexes constituting the labor force available for the production of goods and services during the time period covered by the statistics." The statistics divide such persons into the following two categories:

1. Employable persons who are employed. This category includes persons who were working during the time period covered by the statistics and who were at least 7 years of age.
2. Unemployed persons. This category includes persons who were of employable age (15 years of age and older) who were not working during the time period covered by the statistics, and who were seeking work. This category could include unemployed persons who had previously worked and unemployed persons who were seeking work for the first time.

On the other hand, the category of non-employable persons during the time period covered by the statistics includes persons who were not working and who were not seeking work. This, for example, covers school pupils, students, women doing housework, landowners, retired persons, and elderly persons.

This definition calls for some remarks to be made on our part, and they could be summed up as follows:

1. The definition or category utilized does not set a maximum age at which persons are no longer considered to be employable. (This age is not set at 60, as is done in some nations, nor at 64, as is specified by some

international organizations such as, for example, the World Bank.) This could indicate that all persons over 60 or 64 years of age who were still working were considered to be in the category of employable persons. However, if such persons lost their jobs or were considered to be elderly persons although they had not yet reached 60 years of age, then they were considered to be among those not in the category of employable persons and thus they were not considered to be unemployed.

2. The statistics counted, as employable persons, children between the ages of 7 and 15 who were working. Concerning this, the following should be mentioned:

a. There are many children under 7 years of age who are working. (This is a problem which we shall address later on.)

b. This puts children in the employable category before they are 15 years old, whereas these children between 7 and 14 years of age are theoretically subject to compulsory education and should be registered as being in school.

c. This approach leads to a comparison being made between two unbalanced categories. On the one hand, children between the ages of 7 and 15 who are working are considered to be in the category of employable persons, whereas other children who are of the same age and who are neither in school nor working are not considered to be employable persons and therefore are not considered to be unemployed.

3. The statistics considered that all persons who were not working and were not seeking work during the time period covered by the statistics were not unemployed persons and therefore not in the category of employable persons. This, in particular, applies to women. The category of employable women was put at only 11.6 percent--that is, 14.7 percent in urban areas and 9.3 percent in rural areas.

At this point we should remark that when the statistics say that only 11 out of every 100 women are employable (either working or looking for work), this does not correspond to the reality of the social, economic, and cultural development which Morocco has experienced during the last 25 years.

It is taken for granted that women in rural areas do the various kinds of work called for in the life pursued in those areas. In rural areas, women generally work in the fields, in the marketplaces, and at home. Therefore when the level of employable females in the rural areas is given as less than 10 percent, this shows that the statistics misrepresent the status of at least 57 percent of the total number of Morocco's inhabitants.

As far as the urban environment is concerned, society has gradually changed its views with regard to the matter of Moroccan women going to school and then being employed in the various sectors. When women work outside the home, this is generally no longer considered to be something to be disapproved of from the social or religious point of view. In fact, women working outside the home has become a reality--if not something which is even highly approved of--among all circles of people [in the urban areas]. It is something which no longer encounters violent opposition in any of these circles of people.

Although this social development is, to a certain degree, directly related to the material situation of Moroccan individuals and families, it is also something which has been caused by the economic situation which our nation finds itself in. It is a situation which has led to both great increases in the actual incomes of most persons as well as to a decrease in their purchasing power. The income of the head of a household is no longer sufficient to cover the needs of his family. This has impelled both married and unmarried women to enter the work force (to either help their husbands or to seek work--with either the active encouragement or tacit approval of their husbands or fathers).

At this point one could pose two questions concerning the statistics which have been published up till the present time, and they are the following:

1. How could it be that 32.5 percent of the females between 5 and 19 years of age in all of Morocco are attending school--and 58.9 percent of the females in this category in the urban areas are attending school--whereas the figure for employable females is only 11.6 percent? Not only would this show that the two trends are incongruous. It would also show that, on the economic level, there is a tremendous waste of capital resources which are not being utilized to raise our nation's production in the future.

2. If we look at the number of women classified as non-employable and as "homemakers," we find that this figure is 4,341,981 and is far higher than the figure for the total number of married women (3,518,682), even if we consider that no married women are holding jobs. Is there such a thing as unmarried homemakers? Yes, there are widows (701,921), but widows are mostly too old to be considered to be of employable age (and this is something which can be confirmed by the statistics). And even if the age of these females were less than what is considered to be the employable age, how could the greater part of the females in this category provide for their needs without working?

This is true if we consider that widows have been classified as "homemakers" together with divorced women (234,264).

These are some of the remarks which we felt compelled to make in view of the definitions and categories utilized in the statistics. Other remarks should be made such as those concerning, for example, considering soldiers to be in the category of employable persons, but we believe that these remarks are not as important as the ones which we have made in this article.

In general it appears that the objective of those responsible for putting out the statistics was, in addition to avoiding dealing with the phenomenon of disguised unemployment, to minimize the figures reflecting the total number of unemployed and the percentage of unemployed among the total number of employable persons. We will take up this matter in another article.

MOSUL UNIVERSITY HOSTS ECONOMIC COLLOQUIUM

London AL-DUSTUR in Arabic No 57, 12 May 84 pp 61-62

[Text] The College of Administration and Economics of Mosul University recently held its fifth scientific colloquium on "Postwar Iraqi Economic Policy." Experts and specialists at this colloquium discussed several major issues addressed in the working paper prepared by the preparatory committee. They also considered other conclusions reached in research papers, studies, and ideas presented to the colloquium. The serious scientific comments, questions, and observations that ensued enriched the colloquium over five working sessions aimed at enhancing the results of the dialogue and making the scientific gathering more fruitful. The colloquium led to positive results and substantive recommendations which will contribute to the final outcome of the general drive toward economic reawakening and the achievement of social welfare.

A perception of the basic goals of the colloquium can be gained from the following basic premises established by the colloquium:

First: The Iraqi leadership and, beyond it, the people see the process of construction as confirmation of the desire for peace and the renunciation of war based on Iraq's nationalistic and humanitarian goals and principles.

Second: Upon consideration of the means that will lead to progress and the fulfillment of aspirations for a comfortable existence, the high degree of confidence in a final victory in the fateful battles constitutes a guide for action and an added incentive to resist aggression and eliminate ignorance and backwardness.

Third: The most rational thinking and behavior--particularly from the economic standpoint--occur during wartime. Therefore, the colloquium aims at crystallizing objective convictions concerning the postwar economy during the war period in order to base the results on maximum possible utilization of our human and material resources in both current and future circumstances.

Based on the goals that the colloquium was striving to achieve, the preparatory committee formulated the main topics of the working paper presented to the participants. This followed careful examination and comprehension of the importance of this paper in portraying the current situation and identifying its future dimensions, confirming the right of future generations to

their joint inheritance and a life full of dignity. Therefore, the paper represents an objective portrayal of the situation before and during the war, and of what it will be after the war guided by national and pan-Arab experience and benefiting from the experiences of the peoples in this sphere while preserving the unique characteristics of the Iraqi experience. The following are the most important topics that were discussed:

1. Agricultural and industrial policy. The key emphasis in this area was the fact that the economics of the agricultural sector has a major role in supporting the national economy--particularly after the war--because agriculture is an inexhaustible oil. Agricultural resources ensure economic stability in general and food security in particular. This requires that agriculture keep pace with the conditions of society and the requirements for its advancement both in the present and in the future. The importance of this subject is evident in the numerous areas dealt with by the research and discussions of the colloquium. Among the most important of these are agricultural financing and production, land and water resources, the tenure and production structures, agricultural exports and varieties, cooperation and planning in the field of agriculture, the agricultural work force, and food security requirements.

In addition, an important fact was established. The essence and the importance of industrialization follow from the basic changes that it achieves in the sectors of the national economy in particular and in the social sphere in general. The development of the economy of any country cannot have strong and stable foundations without reliance on industrialization as an end and a means for the expansion of the national income, the development of the structure of society, and participation in the transfer, adaptation, and nationalization of technology, which makes the national economy less subject to foreign pressure. Within the framework of this major topic, a number of subjects were discussed. Specifically, these included the most appropriate strategy for industrial development; policies for investment, utilization, and the distribution and nationalization of projects; industrial planning and participation in private activity; the structure of the industrial sector with respect to project size, geographical distribution, ownership, and products produced; the perception of possible remedies for problems of industrialization involving the provision of raw materials, spare tools, skilled manpower, and maintenance, and the utilization and development of appropriate technology.

2. Service and Social Policy. The service and social organizations are considered pillars of economic life and represent incentives to develop the underdeveloped areas of the country and allow them to grow and take advantage of the fruits of economic and social development. The main components of this topic are as follows:

--The economic infrastructure, which includes transportation, energy, irrigation and drainage systems, dams, etc.

--The social infrastructure, which includes the conservation of human resources through the protection of health care, social, and educational institutions.

--The status of social care, the provision of job opportunities to the handicapped, and the establishment of means of aid and funding.

3. Fiscal and monetary policy. Fiscal policy has become an important tool of economic planning. The success and achievement of the goals of economic plans depends on successful and precisely balanced fiscal policy. This requires that a new fiscal policy be drawn up for the postwar period--a policy characterized by the necessary flexibility in accordance with the priorities dictated by the phase existing at that time. Within this topic, the colloquium dealt with issues pertaining to tax policies and the tax system, spending, credit (domestic and foreign loans), and fiscal planning.

In the monetary sphere, emphasis was placed on the necessity of establishing clearly defined banking policy, of working to control the flow of money and goods by ensuring balance between the quantities of each, and of setting advantageous prices in harmony with economic developments and the objectives of fiscal and monetary policy.

4. Trade policy. The trade sector represents the primary stimulus of economic development. The role of this sector is determined by policies aimed at ensuring that it is equal to the requirements dictated by its support of the other economic sectors. Therefore, the participants in the colloquium discussed a number of areas of investigation, focusing on the following subjects:

--Customs tariff policy.

--Foreign exchange rate policy.

--Trade agreements concluded with various economic groups and blocs.

--Commercial exchange rates and their impact on development programs and plans.

8591

CSO: 4404/485

DECLINE OF ISRAELI EXPORTS TO WEST BANK

TA131345 Tel Aviv HA'ARETZ in Hebrew 13 Jun 84 p 14

[Report by Shlomo Ma'oz]

[Text] The Israeli export surplus to Judaea and Samaria and the Gaza Strip has been sharply declining over the last 3 years according to the 1983 Bank of Israel report. Most Israeli trade with the West Bank and Gaza is done in Israeli currency. The Israeli export surplus reached \$146 million last year as opposed to \$184 million in 1980. In quantitative terms, the export surplus in 1983 was approximately one-fourth of the export surplus in 1979 and 1980, and this came at a time when trade was increasing overall.

The trade with Judaea, Samaria and the Gaza Strip differs from other Israeli commerce: by the great amount of semi-completed products, in which part of production is in Israel and part is in Judaea, Samaria, and the Gaza Strip; and by the fact that most of the imports to Judaea, Samaria and the Gaza Strip from other countries arrive through Israel and are therefore registered as Israeli exports. In that section of the report referring to services, the proportion of labor for services imported from Judaea, Samaria and the Gaza Strip stands out.

In 1983 the number of workers from Judaea, Samaria and the Gaza Strip increased by 6,600 (it increased by 3,300 in 1982). This increase--after several years of stability--is caused by the drop in demand for workers in the neighboring Arab countries. These developments brought about an increase in the supply of workers from Judaea, Samaria and the Gaza Strip in Israel, amounting to 86,000 in 1983. There was a decline in the relative wages of the workers from Judaea, Samaria and the Gaza Strip: While the average wages in the business sector in Israel increased by 4 percent, the real wages of the workers from Judaea, Samaria and the Gaza Strip did not change.

CSO: 4400/274

CHINESE SHOW INTEREST IN ISRAELI AGRICULTURE

TA131144 Tel Aviv MA'ARIV in Hebrew 13 Jun 84 pp 1, 11

[Report by Aharon Pri'el]

[Text] China is interested in implementing the achievements and know-how of Israeli agriculture, particularly in the development of arid zones. A senior Chinese scientist gave this information to the director of the Agriculture Ministry's Joint Agricultural Planning and Development Authority, Prof Shmu'el Pohoryles.

The Chinese scientist, Prof (Gozo Liang) from the faculty of agricultural research for environmental development in a university near Canton, said this to this Israeli counterpart at the international congress held last week in Toronto, Canada, on the topic "The Right for Food."

The congress was held under the auspices of Canadian Prime Minister Pierre Trudeau and former West German Chancellor Will Brandt, and was attended by the agriculture ministers of many Western countries and the Third World.

The Chinese scientist invited Prof Pohoryles to visit China. He spoke with the Israeli representative after the latter had delivered the opening address to the congress, covering Israel's achievements in the development of agriculture in arid zones. The Chinese scientist told Pohoryles that scientists in his country recognized the agricultural and scientific achievements of Israel, especially those in the fields of irrigation and the development of arid zones. The Chinese scientist also said he knew that his colleagues in China showed great interest in Israel's agricultural and technological development, and said that all Israel's scientific publications in these fields reached China and were read by the scientific community in his country.

Over the past year, Israeli experts in the field of agricultural and regional development who hold foreign passports have established close ties with Chinese experts in this field. These Israelis have visited China in advisory capacities as guests of the government.

CSO: 4400/274

'POLITICAL SOURCES' ON RELATIONS WITH GUINEA

TA151314 Tel Aviv MA'ARIV in Hebrew 15 Jun 84 p 3

[Report by Yosef Tzuri'el]

[Text] The conditions for restoring diplomatic relations to what they were before they were severed have ripened in some of the African countries maintaining economic ties with Israel.

Political sources noted yesterday that Guinean Prime Minister Diara Traore's statement about the possibility of resuming diplomatic relations with Israel reflects the extensive fabric of relations Israel currently maintains with various African countries. These relations mainly consist of assisting in the development of rural areas, teaching advanced cultivation methods, developing water systems and roads, and establishing advanced administrative procedures for central and local authorities.

The possibility that Guinea may follow in the footsteps of Zaira and Liberia which have already established diplomatic relations with Israel is being described in Jerusalem as an obvious move which, just as in other African countries, is still being precluded by internal and external obstacles. The three main obstacles are: direct threats against heads of state by Arab extremists, economic dependence on the Arab countries, and the influence of the local Muslim population on the government.

In the context of the semi-covert relations existing at present between Israel and some African countries, the leaders of these states reiterate that there is no need to hasten to resume diplomatic relations with Israel. Their argument is that they might be adversely affected and that Israel would not really benefit from an exchange of diplomatic representatives between the countries involved.

CSO: 4400/274

BRIEFS

FOREIGN TRADE IMPROVES--Over the past 5 months, Israel's foreign trade has greatly improved. The deficit in the balance of trade decreased by 25 percent compared with the same period last year. This was published today by the Central Bureau of Statistics. These cuts are the result of a 11-percent rise in exports, and a 4-percent drop in imports of goods to Israel. [Text] [TA081841 Jerusalem Television Service in Hebrew 1715 GMT 8 Jun 84]

W.BANK ELECTRONICS PLANT INAUGURATED--The Tadiran Company [a major Israeli electronics company] this afternoon inaugurated a modern plant for the manufacture of precision parts in Ma'ale Adummim. Our correspondent Shmu'el Tal reports that the plant will produce components for the Lavi plane, the pilotless plane, computers, and communications systems. Expectations are that the plant will shortly be manufacturing components worth \$9 million. [Text] [TA101646 Jerusalem Domestic Service in Hebrew 1600 GMT 10 Jun 84]

CSO: 4400/274

OBSERVERS SKEPTICAL ABOUT VIABILITY OF KARAMI GOVERNMENT

Paris AL-MUSTAQBAL in Arabic No 376, 5 May 84 pp 24-25

[Article by Ghassan Bayram: "Arabs Are Returning to Their Solidarity and Their Path Passes Through Beirut"]

[Text] Beirut--After being assigned to form the new government, Prime Minister Rashid Karami gave his government the slogan of "national unity government"--a slogan which the Syrian capital preceded him in using when it rejected the name of "national union government" so that it may not be understood that the name is inspired by some unionist plans circulated recently, such as a federal union plan, a confederal union plan and others. Meanwhile, other political circles have raised the slogan of "salvation government" as a good omen and as a slogan close to the salvation venture slogan raised by President Amin al-Jumayyil at the beginning of his administration. But the most prevalent and most frequently circulated slogan is the slogan of the "last chance government." By his nature, the Lebanese is fond of slogans and he is often delighted and dazzled by them, even if only for a time, especially when raising the slogans has the impact of magic on emotions and hearts before minds. If somebody were to devote his time to counting the different slogans, with their varied forms and objectives, raised since the outbreak of the Lebanese war and were to interpret the meaning and significance of every one of them and of the circumstances under which it was launched, he would end up with a volume compared to which the volumes of lexicons would be dwarfed. The slogans are numerous but most of them have fallen by the wayside during this long procession which has extended over more than 9 years. Some of the slogans have been lost in the deluge of events. Few are still in circulation.

But what does the slogan of "last chance government" mean? Is it the last chance for Rashid Karami, the veteran Sunni Muslim politician coming from Tripoli, the capital of the north? Of course not, because the political leaders in Lebanon do not usually experience last chance moments. As long as they are alive, chances continue to await them, regardless of how long the time elapsing and how strong the chance in circumstances and conditions. So it is Lebanon's last chance, meaning the survival or nonsurvival of Lebanon--the state, the territory, the single central political system and common coexistence--if Prime Minister Karami fails to form his government or if this government fails and is toppled by new developments while still at the beginning of the road.

But despite all the new tragedies such a failure means, those in the know-how acknowledge that this government is not the first government and may not be the last government before the actual end of this Lebanese tragedy is written and before the area formulates the beginnings of solutions for its complex problems. What is correct here is perhaps the political interpretation which says that what is happening in Lebanon at present in terms of the formation of a new government and what is happening behind the scenes is what provides a last chance for the success of the endeavors seeking to agree on the new scenario that is different from all the past scenarios for achieving final settlements to the area's problems, beginning with the Gulf war and going on to the Palestinian issue and an attempt at an international accommodation on exposing the Middle East area to a political system that reflects [spreads] peace in all parts of the area and among all its existing regimes, both old and new. These attempts are managed and supervised now by major international and regional forces which have their weight in the balance of struggle.

This is why the well informed say that there is a decision that calls for, first, formation of the new government under the chairmanship of Rashid Karami and, second, for the success of this government. This decision has its base in Syria and has its Arab and international dimensions. This is why overcoming the obstacles and barriers supposed to face the formation of a government of this kind will not be up to efforts exerted by President Amin al-Jumayyil and Prime Minister Rashid Karami or efforts assisted by this or that faction. Rather, there are Arab and international forces that are also concerned with the issue, beginning with the United States, the Soviet Union and France and ending with Syria, the cornerstone, which is performing the role of the godfather in bringing such a Lebanese government into existence and in putting it on the path that enables it to succeed in its phased task of silencing all the sources of detonation and tension and of creating a state of total freeze that permits opening the dossier of the Middle East crisis and moving to the stage of searching for solutions and settlement of the area's problems.

Reliable diplomatic information says that after the Israeli invasion of Lebanon, the Americans projected, through President Reagan personally, a theory to the effect that a final and complete solution to the Lebanese problem is the entry-way to a sound solution to the area's crisis. But this theory quickly fell with the fall of the 17 May accord which had been tended by the United States so that it might form the cornerstone in the march for the comprehensive solution according to the American viewpoint. But what fell was the role. Matters developed and moved on whereas the slogan persisted, even though according to new given facts and tendencies since nothing has changed in the essence of the slogan. Some even assert, citing Soviet sources, that the path to solving the area's problems begins in Beirut and through Damascus going and coming, not through Tel Aviv or any other Arab capital. But the one different thing is to have temporary and phased partial, not comprehensive or fundamental solutions at most times--solutions that can develop and assume the quality of continuity and permanence in Lebanon if the peace endeavors succeed in the area in 1985. Excluding the statements made by Israeli circles and officials every now and then, the centers of political rejection have not recorded so far any international or Arab objection to the renewed Syrian role in Lebanon today. It is as if all know this time that the banner of leadership in controlling and

settling the Lebanese problem continues to be held by Syria and nobody else. This has perhaps come as a result of the acknowledgement, after experience, that if the solution to the Lebanese crisis does not pass through Damascus, it will reach a deadend, that any solution to the Palestinian problem not passing through Damascus will have the same end and that it is most likely that any settlement for the Gulf problem in which Damascus has no role will provide no solution. It is the opinion of foreign experts and diplomats that the struggle cycle in recent years has been a beneficial experience that has helped ripen and crystallize numerous international ideas and tendencies concerning fundamental roles--an experience that has ended with the acknowledgement that, so far, any peaceful solution in Lebanon and the area must pass through Damascus, not Tel Aviv or other capitals. After a difficult labor, the Syrian regime has been able to regain possession of the hot cards of the area's crisis, contrary to Israel which has been able to score some gains in the past 3 or 4 years but which has created a state of division and fragmentation in the Arab world as a result of the Camp David accords and of separating Egypt from its Arab environment, with the subsequent elimination of the Egyptian role, despite its major importance, in the balance of forces and in the struggle equations. Israel has also been able to intensify the shakiness of the Arab position as a result of what it has done in Lebanon, breaking up its national unity, igniting sectarian conflicts and wars in Lebanon and dismantling its state after the invasion.

But Israel has also, as some Western diplomats believe, failed to maintain these gains and successes. The world is witnessing nowadays a rapid decline in the Egyptian-Israeli relationship since Egypt withdrew its ambassador from Tel Aviv in protest of the invasion of Lebanon and suspended implementation of the Camp David accord and the subsequent normalization of relations, with the subsequent collapse of any hope for conducting negotiations on Palestinian self-rule. In Lebanon, the situation ended with abolition of the 17 May accord and the retreat of the Israeli military tide in the south at a time when the occupation there is facing numerous troubles, not just as a result of the national resistance to which this occupation is exposed but also as a result of a pressuring international climate that believes ultimately that there is no alternative to Israel's departure from South Lebanon under any pretext.

In contrast to this Israeli retreat, and behind it the U.S. retreat, the area has now begun to witness a Syrian-Soviet tide taking its full dimensions at all levels. At a time when the Egyptian-Israeli relationship is collapsing and when the bricks of the Camp David accord are falling one after the other, political circles are watching with great interest and the media are preoccupied with the reports of a Syrian-Egyptian rapprochement. At the same time, official Egyptian statements are issued in the name of Kamal Hasan 'Ali, the minister of foreign affairs, expressing Egypt's desire and readiness to engage in dialogue and reach agreement with Syria. Meanwhile, the statements of Butrus Ghali, the Egyptian minister of state for foreign affairs, have gone even further, implying that the suspended Camp David accords are about to become as good as abolished. Regardless of the level and dimensions of the contacts said to be taking place currently between Damascus and Cairo and while waiting for crystallization of the objectives and dimensions that these contacts may produce, the contacts constitute, according to statements attributed

to an Arab ruler, an indicator of what the future phase--i.e. the phase after formation of the Lebanese government--is expected to be. Arab leadership circles are preoccupied nowadays with serious, high-level efforts to restore adherence to the Arab solidarity formula and to put a final end to the disintegration and collapse prevailing in Egyptian-Arab relations and in joint Arab action. To complete the latest role it has played with Syria in Lebanon, the Kingdom of Saudi Arabia is exerting extraordinary efforts to create the right climate, encouraging the revival of Arab solidarity on unified and specific positions. At present, these efforts are receiving numerous responses, especially in Syria, which believes that after the issue of Lebanon, Arab solidarity is a main national objective for which efforts must be exerted. Those closely acquainted with all the motives and background of this Syrian position say that Syria now has stronger interest than ever before in reviving an Arab solidarity in which it plays the role of the undisputed leader and that it is in dire need of Arab solidarity to complete what it has begun in Lebanon by creating a unified Arab position in the face of Israel's schemes and of the fragmentary peace plans proposed in various forms by the Americans. In the wake of what King Husayn's statements revealed regarding the U.S. role and Washington's policy and regarding the fall of the U.S. role, Jordan also believes that restoration of Arab solidarity continues to be the belt that protects, in this difficult phase, the Arab nation from the evils of partition and fragmentation schemes and the schemes to liquidate the Arab cause. The efforts, which seem successful so far to achieve reconciliation between Syria and the PLO, are another indicator that the phase of rearranging conditions in Lebanon will be the phase of restoration of Arab solidarity on the basis of a new Arab understanding founded on new given facts and information to the effect that the possibilities of discussion of the Middle East problem between the two superpowers next year and the possibilities of agreement between these powers on a formula and a framework for settling the area's problem require that they be confronted with a unified Arab position that provides for an effective Arab presence in any international negotiations. According to the belief expressed by some diplomatic reports, the UN secretary general's initiative of asking the major powers and the countries concerned for their opinion on holding an international conference to establish peace in the Middle East is not a political luxury on the occasion of the approach of the "day for solidarity with the Palestinian people" at the United Nations. Rather the UN secretary general is trying, according to some circles, to perform some role at the level of crystallizing international ideas and tendencies regarding the framework which should be the sphere for negotiations to establish peace in the Middle East. It is worth noting here that the quick British response to the UN secretary general's question has not been a response of utter rejection. Rather, the rejection has come as a result of timing, because London believes that it is not the right timing for holding this conference.

In the light of all this and while waiting for formation of the Lebanese government and stabilization of the situation in Lebanon, it is expected that the current Arab contacts and consultations will develop into an official discussion of the call for holding an Arab summit and for preparing for it properly under the slogan of reviving Arab solidarity. It is interesting at present that some of the well-informed circles are not overly apprehensive that the Iraq-Iran war and its continuation and, consequently, Iraqi-Syrian relations

will lead to torpedoing or at least weakening this possibility because the developments expected in the next few months in the Gulf area and in the international position toward the Gulf war will perhaps carry the answer to this possibility.

In addition to all this, the picture of the future seems to be somewhat bright and optimistic. But there is no doubt that there are numerous difficulties and fears before this picture becomes complete and assumes all its practical dimensions, perhaps the most significant being the Israeli position. The progress of affairs in these directions causes one to wonder to what degree Israel may be harmed by these transformations and their consequences and, consequently, to wonder about the degree of Israel's ability to obstruct and prevent the completion of these Arab and international tendencies and their attaining their objectives. It is well known today that the Lebanese arena is the only theater in which Israel can move militarily, in particular, and obstruct the movement of affairs in this manner. This is perhaps what David Kimche, the general director of the Israeli Ministry of Foreign Affairs, meant by the statements he made in Washington when he drew the attention of U.S. officials to what he called "Syrian sabre-rattling" and expressed the belief that "there will be no peace in Lebanon" and that the next Lebanese government, meaning Prime Minister Rashid Karami's government, "will not live long." In any case, there is a new starting point at which the train of the Lebanese crisis is waiting to take off. Meanwhile, the countdown has started. Will this countdown be in the interest of the Arab solution in Lebanon under the leadership of Syria? Will the international administration facing this solution have a stronger ability than Israel's ability to sabotage it?

8494

CSO: 4404/475

DISRUPTION OF PEACE MARCH SCORED

Paris AL-MUSTAQBAL in Arabic No 377, 12 May 84 p 15

[Editorial by Shukri Nasrallah: "The Party of the Slain"]

[Text] The story is told that [former] Prime Minister Taqi-al-Din al-Sulh was visiting the commander of one of the Lebanese militias when the commander asked him: "Whom do you represent, Mr Prime Minister, in this village controlled by the militias?" Al-Sulh instantly replied: "I represent the party of the slain."

The party of the slain that Prime Minister Taqi-al-Din invented (intentionally) is now the biggest party in Lebanon with more than 600,000 members. Some assert that a million people have raced to emigrate from the nation and have left it for the party of the killers to follow their whim and swim in the blood of its sons.

This is a third of the population scattered throughout the world. Their platform is clear and succinct: "Yes to life and no to killing."

This party, of which we have the honor to be members, is still growing, expanding, and getting stronger. It is now stronger than all the other Lebanese parties. Here is an indication:

Last week the party of the slain decided to stage a silent march without bullets, without armed men, without killers, and even without speakers. In complete and utter silence they would stage this march without a single word, shout, or scream being uttered among the citizens of Beirut on the contact lines in the Lebanese capital. They also decided to stage a march in Paris, and another in London, and another in New York. The aim of each march was as simple as the march itself: "Yes to life, no to killing."

The party of the slain chose 6 May (the Day of Martyrs) as the date to begin the march believing that the spirits of the 6 May martyrs who sacrificed themselves for the nation would be overjoyed to learn that they have sons in Lebanon who still love their country.

One day before the march--on the morning of Saturday, 5 May--the party of killers rose up in Lebanon and ignited Beirut with bullets, artillery, and

death. The objective, of course, was to thwart the march of the rival party--our party, the party of the slain. And so it was. The march was thwarted and members of the party [the party of the slain] disappeared into the shelters. Some escaped, some were killed, and some were wounded.

In Paris, the march of the "party" took place without any obstacles. The "party of the slain" won the admiration and sympathy of the French.

In London the march succeeded and our great party was able to win the admiration of the British and arouse their enthusiasm and sympathy.

In New York, the march of the "party" succeeded in arousing much enthusiasm and counterenthusiasm in the hearts of the American people.

In Beirut, the march failed because of the death celebration held by the opposing party. However, the march emerged victorious not just in Paris, London, and New York, but particularly in Beirut.

This is because those who ignited Beirut with artillery wanted to stop the march. And stopping the march means that the party of killers does not want peace in Lebanon.

In other words, there are those who do not want the Lebanese to plunge into the rebuilding of the nation.

In other words, the silent martyrs frightened the armed killers.

In other words, this afflicted unarmed group of people faced a group of malicious fighters armed with the latest, largest, and most destructive kinds of weapons in the world.

This is the big victory achieved by the march.

And this is the bitter fact revealed by the march: There are those who do not want this country to exist. May they be cursed.

8591

CSO: 4404/485

TOUR OF SOUTH SHOWS POPULATION RESISTING ISRAELIS

Paris AL-MUSTAQBAL in Arabic No 376, 5 May 84 pp 30-31

[Article by 'Imad Judiayah: "Steadfast and Perseverant"]

[Text] South Lebanon--From Sidon to Tyre to the villages of Mount 'Amil in South Lebanon, the citizens are steadfast in the face of the Israeli occupation. If they cannot find weapons with which to resist, they use rocks and boiling oil, thus engraving the saga of steadfastness in time of defeat.

To get a supply of paper, pens, films and cameras, tour the occupied South Lebanon, move around in its towns and villages and then return to write to tell those living beyond [the wall of] iron and fire that the populace of South Lebanon is as steadfast as never before in the history of free peoples--to do this means that the truth cannot be erased. However, the word cannot convey in a few small letters the true meanings of the great heroism embodied by the citizens of the occupied south who attack tanks with rocks, sticks and boiling oil.

From Beirut to Sidon, Tyre, al-Nabatiyah, Bint Jubayl, Marj 'Uyun and Hasbayya, we enjoyed the honor of meeting the steadfast citizens on the soil of the steadfast villages of the south whom the occupation has not been able to tame despite the primitive weapons of these citizens and despite the periodic acts of search and house-demolition and acts of humiliation to which they are subjected. From the border strip villages adjacent to the central sector villages, from the villages of Jazzin, Haruf, al-Saksakiyah, al-'Abbasiyah, Ma'rakat al-Sawwanah and Bi'r al-Salasil to the villages of Mount 'Amil, Ansar, Qana, al-Zrariyah and al-Burghuliyah and ending with the villages of Dayr Qanun al-Nahr, Haris, al-Qalilah and Tibnin, the south, with its populace, continues to use their dignity as a weapon with which to lock horns with the latest war technology and means of devastation and destruction. More than 10,000 Israeli troops and 2,000 militiamen collaborating with Israel continue to blockade for the third successive week the southern towns and villages and to isolate the south from the rest of Lebanon by closing the crossings and gates leading to it. The occupation forces continue their cutoff of telephone and telex communications between the south and the outside world in an attempt to conceal its news from the world. The southerners are escalating their uprising, their sit-in strikes in houses of worship and their blockading the roads to their villages with rocks, barbed wire and burning tires in an expression of their

rejection of the occupation and their condemnation of the occupation's terrorist practices embodied in searches and in the arrest of hundreds of citizens with the aim of forcing the southerners to submit to the malicious Israeli arrangements seeking to entrench the occupation and to separate the south from the country's other territories in preparation for annexing the south.

In the shadow of the Israeli military blockade imposed on the occupied south, the AL-MUSTAQBAL mission was able to penetrate this blockade and to enter the heartland of the occupied territories to convey living images of the popular uprising staged by the steadfast people in the south.

Sidon, the capital of the south, was our first stop. On that morning, it seemed quiet, with a sad and fearful silence prevailing in it. Its various commercial markets are closed, activities in the official agencies, in the port and in the economic and industrial establishments are paralyzed and lessons in its schools and universities are suspended. The occupation's foot patrols roam the city's main streets in large numbers, especially Riyadh al-Sulh Street up to al-Najmah Square. In the city quarters, we saw Israeli pedestrian patrols inspecting Riyadh al-Sulh and Fakhr-al-Din Streets. We also saw other foot patrols accompanied by police dogs in the streets of al-Awqaf, al-Shakiriyah and al-Mutraniyah and in the markets of old Sidon. A Sidon citizen told us that the city has been subjected for 2 weeks to intense harassment and inspection campaigns, which intensified in the wake of the recent Jerusalem operation and of the repeated acts of Lebanese resistance against the Israeli patrols and positions in the area. Another citizen told us that the latest actions of the occupation forces reflect the climate of fear and panic controlling them and that this is why these forces do not move any distances, regardless of how short, without field maps and before opening fire on any moving target in their path. He added that since the escalation of the military operations against them, the Israelis have resorted to a new course by moving through a route that goes across the orchards in order to avoid the main streets where they become a target for the resistance men.

From Sidon's old quarters, we moved to al-Za'tari Mosque where the citizens, led by Shaykh Salim Jalal-al-Din, the mufti of Sidon, and other religious, political and labor union notables, have staged a sit-in strike in protest of the occupation's actions. Describing the south's uprising to AL-MUSTAQBAL, Mufti Jalal-al-Din said: "We are raising today in one of God's houses of worship our voice in the face of the occupier to tell him that his oppressive and tyrannical measures will only strengthen our adherence to our soil and homeland, that the faith of the southerners will continue to be strong, that their resistance to the occupation will continue with all means and that we believe that victory will be our ally, regardless of how large the occupation forces grow."

We leave Sidon, heading for Tyre and al-Nabatiyah and leaving behind the Israeli patrols roaming the city streets and shooting their submachineguns into the air in an attempt to intimidate the citizens. All along the highway stretching from the villages of al-Ghaziyah and al-Zahrani to Tyre, there were mobile and stationary roadblocks set up by the occupation forces, especially at road intersections, to inspect passing vehicles and examine the identities of their

passengers. At the entrance to Tyre, the occupation forces have set up a stationary roadblock supported by tanks and vehicles. We cross the barrier, after being subjected to inspection, and enter the city of Tyre. In the historic city, everything speaks of the southern uprising and wrath against the occupation. But we were not able to move freely in the city's quarters to meet some of their residents because of the extensive deployment of the elements of the National Guard, which support the occupation forces, along the main and subsidiary streets and in the internal quarters.

We leave the city of the Phoenicians and head for al-Nabatiyah, the capital of Mount 'Amil. The situation there is the same as in the areas of Sidon and Tyre. The city's public activity is at a complete standstill, the city's streets are totally devoid of any movement and all the people are engaged in sit-in strikes in the mosques and in al-Husayniyat [Shi-ite social clubs]. Banners denouncing the occupation are raised in all parts of al-Nabatiyah, with one of them saying: "Get out of our land and out of Jerusalem. Israel is an absolute evil." Islamic banners and the flags of the Amal Movement are raised in the streets. In front of al-Husayni Club, where slogans denouncing the occupation were raised, the strikers raised an Israeli flag and a U.S. flag and then trampled and burned them.

Afterward, a demonstration proceeded from al-Husayni Club, shouting slogans against the occupation and against the Army of South Lebanon which was formed by Israel recently and whose command has been entrusted to retired officer Antoine Lahad. The demonstrators then blocked the main and subsidiary roads leading to their city with burning tires to prevent the occupation patrols from entering it. Commenting on what was happening, a citizen of al-Nabatiyah told AL-MUSTAQBAL: "We know that our land is straining under the yoke of the hateful occupation but we cannot accept this occupation because our history in Mount 'Amil abounds with rejecting all forms of oppression and submission."

From al-Husayni Club, we moved to the government house where we met with Dr Ibrahim Faqih, the province governor, who spoke to AL-MUSTAQBAL about the uprising being staged by the southern areas, saying: "We have not been surprised by what has happened and is happening in the southern towns and villages in the form of attacks by the occupation forces against completely unarmed citizens because the Israeli forces are trying to impose their presence on the southerners by force. This is something the southerners reject because they believe in their God and in the soil of their homeland and they will not allow Israel, as they have refused to allow others, to desecrate this soil. Therefore, I believe that the uprising in the south will continue until the last occupation soldier departs from here."

Finally we met with Mu'in Jabir, the chairman of the union of the al-Nabatiyah-al-Shuqayf municipalities, who told AL-MUSTAQBAL: "What happened and is currently happening in the southern towns and villages is a part of the major plot that is aimed against the steadfast south and that seeks to undermine the steadfastness of its population. I condemn strongly the large-scale massacres being perpetrated by the occupation forces against the innocent citizens of the southern areas and I urge the international organizations and the civilized free world to exert efforts to put an end to the brutal practices of the

occupation forces which will only strengthen our steadfastness and our clinging to our soil."

It was close to sunset and silence, with its fearful ghost, returned to prevail anew over al-Nabatiyah and its villages. The time was 1700 on the day we spent with those who offer their lives as a sacrifice on the altar of their forefathers so that they may inscribe with their steadfastness the story of impregnability in time of defeat. We leave the south, which has been able to dwarf the occupation forces and their arrogance and to bring down the myth of their invincible strength, to return to wounded Beirut.

8494

CSO: 4404/475

PARTIES IN NORTH HOLD MEETING

Beirut AL-NIDA' in Arabic 19 Apr 84 p 3

[Text] Tripoli, AL-NIDA'--The nationalist and progressive parties in the north held a meeting yesterday afternoon in which they discussed the general developments in the country, especially those that dealt with the Lebanese-Syrian summit and the situation in the south. The following statement was issued by the participants:

"In their meeting today (yesterday), the nationalist and progressive parties continued to discuss the general developments in the country in light of the convening of the Lebanese-Syrian summit and the situation in the south. With regard to the Lebanese-Syrian summit, the parties confirmed its importance and emphasized the positive stance the national opposition took in order to assist in opening the road toward a solution of the crisis in the country. The parties emphasized that the summit's success is tied to the position and practical steps that the Lebanese regime will take on both the political and security levels. Success is also tied to [the regime's] abandoning the politics of maneuver and of gaining time, to taking a clear position toward the problem of liberating the south and to taking a decisive position regarding the army of Antoine Lahd in addition to cutting him off from the protection and political with aid which the "Lebanese Forces" and their continued cooperation and coordination with Israel provide him.

The parties reached an impasse regarding the escalating Israeli terrorism in the south, the measures aiming at isolating the south and the western al-Biqa' from the nation, and the military preparations accompanying these happenings. At the same time, they reiterated their disapproval of these happenings and are convinced of their danger to the destiny of the nation. They repeat their announcement of unconditional support for the masses of the south who are opposing the Israeli occupation and repeat their call to the various political, societal, and popular leaders in Tripoli and the north to move in diverse ways to give support to the struggling south in thwarting the conspiracy to isolate it and the western al-Biqa' from the nation."

12551

CSO: 4404/470

EXPORTS TO SYRIA IN 1983 TOTAL 113 MILLION LEBANESE POUNDS

Beirut AL-SAFIR in Arabic 19 Apr 84 p 6

[Article by 'Adnan al-Hajj: "Al-Jumayyil Requests an Economic Dossier on Relations With Syria Including the Trade Agreement, Its Pending Problems, and The Water Issue. Lebanese Exports to Syria in 1983 Totaled 113 Million Lebanese Pounds."]

[Text] President Amin al-Jumayyil requested that the National Council for Foreign Economic Relations prepare an economic dossier on relations with Syria for his discussion of topics which will be broached in the scheduled summit today with Syrian President Hafiz al-Asad.

It was learned yesterday that the Council for Economic Relations has prepared the economic dossier and it includes the following topics:

1. History and development of the economic relations between the two countries.
2. The development of the discussions on the commercial exchange agreement concluded between the two countries and the state of current relations.
3. The pending problems between the two countries with respect to economic issues, labor, and services.
4. Suggestions for resolving the problems and demands of the Lebanese side, in addition to the issue of shared water and the manner of exploiting it.

With respect to the pending problems, it was learned that they deal with the following issues:

- a. The problem of transit and passage for Lebanese trucks to the Arab countries, especially the issue of the surtaxes which Syria levies on Lebanese goods and which Lebanon levies on Syrian goods exported through Lebanon.

Both sides have protested these levies, but no settlement has yet been reached.

b. The matter of transport between the two countries and the percentage of fees to be levied against each country for this type of transport. Lebanon has demanded 50 percent of these levies, with 50 percent going to Syria, while Syria demanded 65 percent with Lebanon receiving 35 percent. This problem has not yet been resolved.

c. The problem of taxis and small Lebanese pickup trucks which Syria prohibits from operating there. At the same time, Lebanon imposes fines on Syrian vehicles which enter Lebanon in contravention of the agreements concluded between the two countries.

The Syrian government is demanding that these fines be abolished.

d. With respect to worker and labor relations between the two countries, there is more than one issue and discussions will proceed on the following:

1. Syria's demand that the Syrian labor force be registered in the National Fund for Social Security and that these workers be allowed benefits from the insurance services on an equal basis. This request had been discussed previously, but the discussions were unsuccessful because of the imbalance between the number of Lebanese workers in Syria and the number of Syrians working in Lebanon.

2. A Lebanese demand to give the Lebanese the right to commercial representation in Syria since Lebanese merchants are unable to undertake this type of work in Syria.

The water issue to be discussed there concerns the Syrian request for the construction of a dam on the al-'Asi River and the discussion of the sharing of the al-'Asi's and the al-Nahr al-Kabir's waters between the two countries.

This topic was never discussed during the previous economic conferences.

The discussion will also deal with some of the old issues having to do with the transport of persons between the two countries and the taxes to be levied on them.

Commercial Agreement

In this connection, it is worth mentioning that the economic relations between Lebanon and Syria were regulated by an agreement concluded on 5 March 1953. Some of its terms were amended on 8 October 1968 after negotiations were held between the concerned parties in the two nations.

It is possible to summarize the most important terms of the agreement as follows:

1. This agreement is valid subject to yearly renewal as long as one of the signatories does not notify the other of its desire to either abrogate or amend it at least 3 months prior to its expiration date.

2. Four lists were attached to the treaty containing Lebanese and Syrian industrial products which are exempt from or are allowed a reduction of 50 percent in the customs duties when they are exchanged between the two countries. These are in addition to the four basic lists appended to the agreement which include agricultural and industrial goods.

3. Some goods were added to List No. 1, which contains Syrian and Lebanese agricultural and animal products which are exempt from customs duties, and to List No. 4 which includes Lebanese and Syrian industrial products which may be traded between the two countries and which are subject to complete customs duties, i.e., 100 percent.

4. A joint committee is to be created with representatives from the Ministry of Economy, Trade and Industry and those of Agriculture, Foreign Affairs, and Customs in Lebanon and with representatives from the Ministries of Industry, Economy, Trade, Foreign Affairs, Agriculture and Agrarian Reform, and the Customs Administration in Syria.

The joint committee is to meet to work on the matters they are entrusted with according to Article 12 of the treaty. These are to develop and implement trade and relations on a rotating basis in Damascus and Beirut at least every 3 months or whenever requested by one of the parties.

5. The Lebanese side is working to abrogate the resolution which levies excessive fees on some of the Syrian products. If the subsidy law is issued in Lebanon, Lebanon pledges to amend it to exclude exports to Syria. On the other hand, the Syrians will again stop the direct subsidy on cotton textiles and thread exported to Lebanon. This is according to the principle of reciprocity.

6. Every article that is exempt from customs duties, or is eligible for preferential customs duties, is to be accompanied by a certificate issued by an authorized government agency. It is required that the percentage of domestic raw materials and domestic labor be not less than 40 percent of the entire cost of the product for it to be considered produced in that country.

From 1968 up to the present, the joint committee mentioned in the agreement has not been formed. The last attempt to form such a committee was Cabinet Resolution No. 25 dated 17 January 1982, which stipulated forming a Lebanese delegation to carry on economic discussions with Syria and Iraq. The Cabinet decided to form the delegation with the minister of economy and trade at its head. The members included the general director for the economy, a representative from the Ministry of Foreign Affairs, a representative from the Ministry of Industry and Oil, a representative from the Ministry of Finance, a representative from the Ministry of Agriculture, a representative from the Chamber of Commerce and Industry, and a representative from the Lebanese Industrial Workers Association.

However, this delegation never undertook anything and never made any contacts with those responsible in Syria to amend or develop the commercial exchange agreement.

The following describes the current economic and trade relations with Syria:

1. The exchange of industrial products between the two countries is confined currently to the agreement's attachments and more specifically to the fourth article of the treaty which permits the treaty parties to exchange those industrial products included in List No. 4 (those products subject to full customs disclosure applicable in the importing country and which therefore do not enjoy any preferential treatment with regard to customs duties).

In other words, it is impossible to export Lebanese manufactured products to Syria if they are not listed in List No. 4, although Syria can import similar products from European or other countries. This is what the Lebanese delegation, created in 1982, will request permission for the entry of goods not mentioned in List No. 4, especially industrial goods.

Diminishing Exports

Now, and despite the continued application of the agreement with Syria in a manner better than that of some of the commercial agreements with Arab and European countries, exports of Lebanese goods to Syria showed a large decrease in 1983 when they reached 113 million versus 229 million [Lebanese pounds] during 1982. That is [a decrease of] approximately 51 percent.

Meanwhile, exports of goods not manufactured in Lebanon showed a large increase. They reached a value of 358 million in 1983 versus 285 million in 1982 a rise of approximately 20 percent.

The most important Lebanese exports during 1983 were: chemical and medical products, building supplies (cement), metals (the most important are sheets of aluminum), fruit, jewelry, untanned leather, and paper and paper products.

The non-Lebanese products were: dry seeds (wheat, corn), white pine nuts, steel and cast iron products, tractor supplies and components and spare parts for automobiles, sheets of asbestos, chickens and chicken products, copper rods, aluminum and aluminum products, and sanitary equipment for bathrooms.

In addition, the transit of Lebanese exports through Syria during 1983 and including the first 3 months of this year diminished due to the absence of Arab embassies in Lebanon and, in particular, to the inability of truck drivers to acquire entry visas to the Arab and Gulf states. The transit of Syrian products through Lebanon to foreign markets has ceased because of the work stoppage at Beirut airport and harbor, in addition to the continued absence of Arab embassies.

For this reason, Lebanese transit across Syria will cease completely starting at the beginning of next month because most of the entry visas for the transit and foreign transport drivers across Syria will expire at the end of the current month. Specifically, the last visa issued to them was prior to 6 February and they are usually issued for a period of only 3 months.

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MINISTER OF ECONOMY UNDERLINES COMMERCIAL SECTOR'S LOSSES

London AL-HAWADITH in Arabic No 1436, 11 May 84 p 54

[Interview with Victor Qasir, minister of economy: "Lebanese Minister of Economy, Industry and Commerce to AL-HAWADITH: Economic Miracle Is Threatened and Commercial Lebanon Is Retreating"]

[Text] Before Victor Qasir was appointed minister of economy, industry and commerce in the new Lebanese cabinet and when he was chairman of the Beirut Merchants Association, he had a conversation with 'Adnan Muruwah, the former minister of labor, on the issue of the loan advanced by the Ministry of Labor to the yarn and textile industry, which includes 20,000 workers and is exposed to major difficulties, according to 'Adnan Muruwah.

Victor Qasir wondered how Muruwah had concluded that the number of yarn and textile workers amounted to 20,000 workers and Muruwah answered that this was what he had been told by Tawfiq Abu Khalil, the chairman of the union concerned. In response, Qasir said, "I beg you to review the records of your ministry so that you may find out the truth."

With Victor Qasir's assumption of the Ministry of Economy, Industry and Trade, it is unlikely that any objections will rise from the commercial street against the new minister's decisions. Qasir is one of the children of this street who knows all the details of what is going on in the commercial street.

This following interview was conducted with Victor Qasir before he assumed his position in the new cabinet:

[Question] Why the constant comparison between the industrial and commercial sectors?

[Answer] We do not deny industry's role, and neither do we deny the state's encouragement. But it is regrettable for an official not to know what he is in charge of. I will say very frankly that we are living in a state of aimlessness because there is a group of unspecialized people who are supervising important affairs that could revive the country or destroy it.

[Question] But the commercial sector has not been affected as strongly as the industrial sector?

[Answer] Everybody believes that only the industrial sector has been affected. But the fact is that the commercial sector has been affected more strongly. However, we [merchants] are large in number and we are not included in a single big organization, unlike industry. This is what makes people and the officials believe that we are in the best condition possible. Nevertheless, we have numerous demands. Our association includes more than 10,000 merchants and we have excellent relations with the Tripoli, Sidon and Zahlah merchants associations.

[Question] Most merchants claim that they are losing money and are in debt. But it is difficult to convince the consumer of this claim. What visible proof do you have to justify your positions?

[Answer] In this condition under which we live, all people are inclined to save and purchase necessities only, especially food, and to disregard all other things, even if they are food luxuries. This is why the sales of all merchants and all commercial businesses have declined sharply. This is in addition to the loss of the element of tourism in Lebanon. The tourist market used to yield big profits to the merchants and the major part of commerce used to rely on the tourism element. There is also the closure of the illegal ports which contributed to a degree in reducing tariffs and, consequently, in transforming Lebanon into a free market. I have said and will say again that Lebanon will have no life unless it turns into a free market because we have no raw materials and no oil. We were able to realize the economic miracle throughout 40 years by way of the services we had secured for the world. But after this tragedy that has befallen Lebanon, we have become unable to continue this miracle. I stress that if commerce dies, Lebanon will die because the Lebanese economy has dwindled. We will become like the countries that have adopted the guided economy. I believe that commerce began to decline as of the declaration of Greater Beirut because the state has adopted the principle of applying all laws pertaining to taxes and to high customs fees to Greater Beirut whereas the illegal ports have continued to operate and to market their goods outside this area and even outside Lebanon, keeping in mind that the (main center) of commerce is in Beirut insofar as rents, employment, key money and various other expenses and insofar as the activities of the banks and of the insurance companies are concerned. When Beirut's commerce became strangled, this condition had its impact on all the other sectors.

[Question] Despite all these claims, the Lebanese hold the comprehensive belief that the merchants have eaten the egg and its shell. What is your opinion?

[Answer] They have envied me even for my death. If you make a small survey of all the merchants and familiarize yourself with their account books, you would know the dimensions of the loss under which the commercial sector is straining. This sector's debts to the banks amount to more than 20 billion pounds whereas the industrial sector's debts do not exceed 4 billion pounds. Yet, we find the state concerned only with the industrial sector and drowning it with loans at an interest rate of 5 percent and divided over a period of 10 years whereas when the merchant falls, nobody pays him any attention. I can give you the names and figures concerning prominent merchants, such as

Kattanah and Fattal, who have large numbers of employees. They have begun to pay their employees half salaries because they cannot withstand the situation we have reached. If the present situation continues as it is, Beirut will kneel on its knees because most of the establishments will end up bankrupt. We have warned repeatedly of this catastrophe but nobody wants to understand.

[Question] In your opinion, who in the ranks of public opinion creates this climate of hostility against the merchants?

[Answer] I do not want to engage in a battle with the industrialists. But I warn them, especially my friend Fu'ad Abi Salih, that the confusion they are creating against the merchants in public opinion will bounce back against them. Ask most of the industrialists, who have turned weeping and begging for loans into a profession, where they have gotten what they have? The owners of plants which have been shut down under a thousand various pretexts are still benefiting from loans and aid, but at the expense of Lebanese industry and of their workers.

I will cite this incident just for the sake of history. Under the administration of President Fu'ad Shihab, I was a member of the production and commerce committee and Fu'ad Abi Salih was the chairman of the industry committee at the Ministry of Economy. Because the industrialists acted so spoilt with Fu'ad Shihab and kept on asking him for loans and aid, he gathered them one day and told them: "I will not give you any loans or aid and I don't want you to hold shows for your cats and dogs and build palaces and luxury houses with state monies and suck the blood of the Lebanese people."

I can stress after long experience in the Lebanese market that the industrialists have sucked the country's blood. The protection given them does not exist in any other country. We, the merchants in the Beirut commerce market, have lost more than 12,000 businesses, the losses of 1,975 were more than 10 billion pounds and our goods have been looted in the warehouses, the ports and the shops and nobody has compensated us for these losses.

[Question] You claim to have incurred a loss. Most of the commercial establishments resort to false account books showing the year's final accounts to be inclined toward loss. This behavior is repeated almost annually. As long as the loss persists, why do you continue to operate?

[Answer] I will not allow such words. If some establishments resort to this method, this does not mean that the entire commercial sector relies on cheating, keeping in mind that the establishments have accountants and that daily books and the computer are used to examine their accounts. Once President Franjiyah summoned me to ask me, reproachfully, how a merchant like Jean Fattal could have a profit of only 4,000 Lebanese pounds a year. I went immediately to the said merchant and asked him about the reason. He said: "I have submitted my accounts which show a profit exceeding 600,000 Lebanese pounds and I have paid more than 300,000 Lebanese pounds in taxes, keeping in mind that I have more than 20 employees working in the accounting and computer department. How could they all be wrong? As for the story of the 4,000 pounds, I have paid this sum as a credit for the new year."

AGRICULTURAL WORKERS IN AL-BIQA' LARGELY UNEMPLOYED

Beirut AL-NIDA' in Arabic 19 Apr 84 p 5

[Text] Shtawra, AL-NIDA'--Yesterday afternoon the Union of Agricultural Workers in al-Biqa' held a comprehensive meeting in the Ta'nayil district. In the presence of a number of representatives of the village union committees, they discussed the conditions and crises the agricultural workers are facing. They agreed on the importance of celebrating 1 May, the holiday of the working class.

The meeting began with a statement by the president of the Union of Agricultural Workers, Mr Yusif Muhyi-al-Din, who said: "This meeting is not our goal. We have not met as a group for a long time because of the hard, severe conditions which had a negative impact on all areas, especially in the agricultural sector. There are a number of factors which affected agriculture, most particularly the Israeli occupation. The agricultural situation continues to have difficulties. The mechanism of progress is idle and large areas have become lines where contact is forbidden or mine-fields."

He added: "Agriculture is in trouble as to export of products to Arab markets because of the fear of infiltration by Israeli products! This is in addition to the state's refusal of the aid and the loans which were offered to it, resulting in the loss of tens of millions of Lebanese pounds which the agricultural workers of small to average means have had to pay or assume. This is what has exerted a negative, destructive influence on the agricultural sector and has caused unemployment to spread until it reached 70 percent of agricultural workers, who are 80 percent [of the work force]. This is not to mention the civil war which has continued for 9 years and which has left all economic facilities idle. Because the economy is a chain connected by links, if one link is affected, the entire situation is affected."

He continued: "From here, by virtue of the fact that our union work is influenced by the outcome of the aforementioned situation, and because it is unfeasible for the union or any other power to control these matters, these difficulties in our union's activities and work have forced us to work under the emblem of the province to stabilize labor and farming. We have tried to explore all means to continue work. However, the union

has also been able to solve some of the matters which its obligations toward its workers dictated. First of all, we have lobbied with the province for permanent employment; secondly, we are realizing and are obtaining rights for some of the organizations that have continued to suffer paralysis; and with public assistance, we built a clinic to lessen the farmers' needs with regard to medical treatment. This couldn't have happened without your participation..."

He said: "In light of these realities, we have to address a basic issue which affects us all. It is well known that Lebanon today is at a crossroads and is in the midst of a great struggle which takes many forms and which revolves around a basic point. This is that all factions admit that the old Lebanon has died. A Lebanon built on factionalism and distinctions has been born. Today the struggle revolves around: Which Lebanon will be built in the future? Its features are being drawn for decades to come. At the Lausanne conference, we supported the national configuration suggested by the opposition which called for the abandonment of political factionalism. However, we consider it deficient if it does not take into consideration the renovation of the economic infrastructure."

He proceeded: "The legitimacy of the divisions are not divine, but are the legacies of the Turks and the French. The land is the holder of our good fortune and it is necessary that the land return to its owners." And he said: "Have a quarter of a million of them been killed in Lebanon? [as published] All of them were from the ranks of the workers and the peasants. Because of this, it is incumbent that they receive the basic share in any solution. This is no fantasy, but palpable reality. Therefore, call for the unification of the working class and for raising the standards and awareness of the workers. Create a plan of action and raise your voices high so that they do not forget that we have rights and that it is necessary to take them into consideration."

He continued: "It is never permissible in the economic domain to make the taxes for the worker equal to those of the merchant or large employer. Rather, it is necessary to pay on the basis of graduated taxation--direct taxation not indirect. It is incumbent at this stage that we rise up through our struggle methods and our political awareness to rally around our union so that we can seize our rights--for you represent more than 60,000 agricultural workers.

From here, there is no doubt that we have to turn our sights toward our plans of action for the future. And there is no doubt that we have to turn our sights to reviving union committees in every village because most of the committees have become paralyzed during the past 2 years, i.e., during the Israeli suppression. It is also necessary to consider activating a union council and to hold a fourth convention of agricultural workers in al-Biq'a' at the end of spring..."

He ended his speech by saying: "Your union, which is you, is going through hard times. It is necessary to revive all the committees... and with the advent of 1 May, the workers' holiday, all forms of celebration should be undertaken, for it is the holiday of giving, the holiday of the artisan class, the holiday for all of us..."

Discussions followed and all viewpoints coincided in desiring an improvement in the condition of the agricultural workers... It was decided to hold parties and councils to erect signs in the streets and villages, and to hold central festival, if conditions permit, on 1 May.

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BRIEFS

ELECTRIC POWER RETURNS--Complete electric power has been restored to Lebanon since the beginning of last week. This followed a long period of rationing that was unbroken since early 1983 except for short intermittent periods. The restoration of power was made possible by efforts to connect the al-Jiyah al-Harari plant (north of Sayda) with the main network as a result of the security truce that was reached in the al-Kharub region. From 1980 until today, Lebanon had been subjected to rationing of electricity for 723 days with 5 to 14 hours of outage each day. The direct losses sustained by the Lebanon Electricity Organization as a result of the rationing were huge, not to mention the losses sustained by the economy. The organization's losses since 1975 amount to 600 million pounds including approximately 250 million pounds resulting from the Israeli invasion in 1982. [Text] [Paris AL-MUSTAQBAL in Arabic No 377, 12 May 84 p 57] 8591

PRIVATE, PUBLIC DEBTS--Lebanese Prime Minister Rashid Karami questioned some of his business friends about the general state of the economy in the country. Their replies portray the bad situation that exists because of the rise in the public debt to around 27 billion pounds, which has increased the annual revenues required to pay the interest on this debt. However, Karami, who tried to ease the pessimism and inject a semblance of optimism, pointed to two things. First, he pointed out that most of this debt is domestic in that around 65 percent of it consists of debts to either the Bank of Lebanon or to commercial banks. Therefore, this burden becomes lighter than if the debt were foreign. The second point is that industrialists and merchants have demanded for years to pay their debts in installments. If the state is to have the same right as its citizens, why not let the state also pay its debts in installments? [Text] [Paris AL-MUSTAQBAL in Arabic No 377, 12 May 84 p 57] 8591

MERCHANT FLEET LANGUISHES--Since the closing of the Port of Beirut on 6 February, the Lebanese merchant fleet consisting of some 250 ships of various sizes has been forced out to sea just as the Lebanese have. The fleet has moved from one port to another searching for part-time work that will pay expenses. The head of the Shipowners Association, Mr Anwar Ghazawi, said that around 50 percent of the merchant fleet has stopped working at this time and that most of the ships are paying 50- or 60-percent salaries to their crew and employees. He explained that the Lebanese merchant fleet has faced financial difficulties since the Israeli invasion in June 1982.

It stopped work for 4 months in 1983 to face an economic recession unprecedented in Lebanon since the beginning of the disturbances. The recession reduced the fleet's activity in shipping products to and from the Port of Beirut. The closing of the port in February dealt the final blow to the merchant fleet. Ghazawi indicated that the ships that work on scheduled lines to the Port of Beirut and other ports have stopped work while the other ships are looking for work and offering extremely low prices to get enough charter trips to pay expenses. As usual, activity for merchant seamen has moved to other countries and owners of ships make their way between Egypt, Bulgaria, Romania, Greece, Cyprus and Yugoslavia. [Text] [Paris AL-MUSTAQBAL in Arabic No 377, 12 May 84 p 57] 8591

CSO: 4404/485

ACCOMPLISHMENTS, PROSPECTS OF DIALOGUE MEETINGS ANALYZED

Nicosia FALASTIN AL-THAWRAH in Arabic No 509, 26 May 84 pp 4-5

[Article: "On Periphery of Palestinian Dialogue Meeting in Algeria; National Responsibility Is Above Differences"]

[Text] Optimism is the big title according to whose basis movement is taking place in the Palestinian arena.

The hope to reach agreement on the disputed issues in the Palestinian national means of action is the most prominent feature among the overwhelming majority of the parties involved in this action.

This is what has been reflected by the three Palestinian dialogue meetings which have been held in Aden and Algiers. This is also what is reflected in the assertions of the participants in these meetings--assertions stressing that the meetings have restored democratic dialogue to the Palestinian arena, have bolstered the principle of rallying behind the PLO as the sole legitimate representative of the Palestinian people wherever they may exist and reaffirming the rejection and fall of the plans for a substitute organization. The continuation of these meetings will reinforce the structure of the Palestinian house, will entrench the unity of the Palestinian national line and will protect the organization from the Arab ambitions for intervention in internal Palestinian affairs. This is also what is pointed out by the statement issued in the wake of the conclusion of the second round of the Palestinian meetings held in Algiers in the period from 14-20 May 1984. This statement notes that "the meeting has achieved advanced steps on the path of reaching a comprehensive Palestinian agreement."

If the mere approval to attend the first meeting amidst the climate of popular fear for the organization means the tendency to bolster the unity of Palestinian action in the wake of the phase undergone by this action after Tripoli, the accord reached on whatever has been agreed upon in the two rounds of talks in the Algiers meeting means an actual movement to entrench and bolster Palestinian national unity and to fortify it against the ambitions of Arab intervention.

This must have also reaffirmed by necessity that the conferees sought guidance from the facts of the arena's requirements and from the Palestinian public opinion's position on not relinquishing the PLO as the sole legitimate representative of the Palestinian people wherever they may exist and from this public opinion's rejection of the Arab regimes' projections regarding alternatives to the PLO that respond to these regimes' policies and that accept containment of and custodianship over Palestinian national decision-making.

Our sources at the meeting have noted that a very high spirit prevailed in the meeting's discussions on the means that should be adopted to protect the PLO and its role. Though the press has carried some fiery and convulsive statements by some parties participating in the dialogue in the wake of the first round and on the eve of the second round of the Algiers meeting, these parties have adopted themselves to the climate of high national concern reflected by the conferees and characterizing all the sessions of the meeting which lasted from 14-20 May 1984.

Though some media have offered analyses on the expected positions of these [dissident] parties in the second round of the Algiers meeting, making their analyses on the basis of those statements and asserting the impossibility of reaching agreement on the means by which Palestinian national unity is to be accomplished and the impossibility of mending the rifts that have hit the wall of the Palestinian house as a result of the Arab blow in Tripoli--even though some media have done this, the details of the sessions and of what was accomplished in them have proven the exact opposite, "considering that the meeting has achieved advanced steps on the path of reaching comprehensive Palestinian national agreement."

Our sources have reported that the concern expressed at the meeting by Fatah's delegation for the need to continue the dialogue and to bring it to a successful conclusion was one of the main reasons for imposing accuracy, frankness and objectivity on the climate of the meeting and that this helped this [dissident] minority to accept this general Palestinian tendency and to contribute to shouldering the national responsibility in this serious circumstance which is being faced by the masses.

The Fatah movement enriched the meeting with the complete proposal submitted to the meeting by its delegation because the proposal contained detailed answers to the various questions raised regarding the topics of disagreement between the various factions and forces in the Palestinian arena.

The information we have on the meeting indicates that in its proposal, Fatah defined precisely the means capable of solving the organizational problems, whether at the level of the Executive Committee, of the Central Council or of the Palestinian National Council, with this proposal offering an initial date for convening the 17th--the next--session of this Palestinian National Council.

The proposal covered the various aspects of the Palestinian political issue and of its Arab and international relations.

The conferees discussed the various issues raised with a high spirit of national responsibility, considering that the meeting coincided with the start of perpetration of the new Zionist massacre against the masses of our Palestinian people in 'Ayn al-Hulwah refugee camp in South Lebanon.

Brother Abu Jihad, the deputy general commander and the chairman of Fatah's delegation to the meeting, has stated that there was evident political rapprochement on the various issues raised and that this shows that we were able to resolve most of the issues raised and to refer other issues to the next round of the meeting which will be held in Aden on 8 June 1984.

Even at the organizational level, the climate in which the issue was discussed was very positive. Even though the decision on some issues was postponed in response to the request of some participants citing the need to refer to the organizational frameworks in the factions they represented, agreement was reached on other organizational issues and a decision was made on them.

What bestows importance on the meeting is the eagerness of all for the unity of the arena, along with their agreement to lay down fundamental lines for a meeting between the national action factions on the basis of the need to formulate a detailed and strong political program that protects the unity of the Palestinian national line, that shields this unity from any hostile penetration with any means prepared for the purpose and that establishes a sound means to deal with the expected issues of disagreement in any possible phase within the framework and in freedom from any response to the positions aspiring to impose custodianship on the independence of Palestinian national decision-making.

This round of the meeting in Algiers could have achieved greater success had not Syria disappointed the ambition of the conferees to restore Palestinian-Syrian relations to their previous condition and had it not taken a rigid position toward the specific proposals carried by the Algerian delegation which had gone to Damascus during the Algiers conference and held talks with al-Ahmar, Khaddam and al-Shar'.

The Algerian move in the direction of Syria had hoped for a Syrian response that would pave the way for a Fatah delegation to hold meetings in Damascus [with Syrian officials] through joint agreement with the PDRY and with the support of the Soviet comrades and the other friends participating in the nonaligned movement and the Islamic countries. But Syria closed the door and the talks did not make long positive strides. The [Algerian] delegation thus returned with negative results from this meeting.

Fatah was sincere in its wishes for the delegation to achieve success in its mission. This is because Fatah has not chosen the battle with Syria or with any other Arab regime. All the battles have been imposed on Fatah. Consequently, it had hoped that the Arabs would actually rise above their differences and that Fatah and Syria would approach each other with open hearts, with Arab solidarity thus regaining one of the most important bricks of its structure and effectiveness.

The Syrian position is doubly dangerous in this phase. With its intransigence, Syria is obstructing the possibility of Arab mobilization in the face of the Zionist violence and aggression against our Palestinian people's masses--violence and aggression currently taking the form of perpetrating the massacre in 'Ayn al-Hulwah camp. Syria is also throwing a wrench into the works of the Palestinian movement in the direction of a united national line. The Syrian position toward the joint Algerian-Yemeni [PDRY] initiative shows that Syria does not approve of the results that have been reached and that may be reached by the Palestinian dialogue meeting, especially since this meeting is taking place far from the shadow of Syria, making it impossible for Syria to intervene extensively and directly in it, and since the meeting has approved some points that make obvious the Syrian position toward the PLO and toward its legitimate leadership. How could the regime in Damascus accept the contents of the statement issued by the meeting held on 21 May 1984--a statement which underlines protecting the PLO, its role, its gains and its national line--at a time when this regime considers the line adopted by the PLO under the leadership of Yasir 'Arafat a capitulationist and devious line that must be fought and corrected?

This conclusion is reinforced by the fact that given the progress in the dialogue and the achievement of positive results, with the hope of reaching the dialogue's end at the forthcoming Aden meeting, and immediately upon announcing the failure of the Algerian delegation's mission in Damascus, the parties completely tied to Damascus (al-Sa'iqah, the General Command, the Struggle [Front] and the remnants of the dissidents) will announce the foundation of their federated [al-ittihadi] organization as a coalition that seeks, with the support of Syria, to impose its opinion on the facts of the Palestinian arena, to rob the PLO of the independence of Palestinian national decision-making and to prevent the PLO's free movement in the political and diplomatic spheres, unless this movement comes through Syria and according to the Syrian view of how the movement should take place.

Some well-informed sources report that Syria's objective behind founding the new organization is to persuade the parties to the current Palestinian dialogue of the importance and weight of this organization, of the need to join it, instead of joining the dialogue with Fatah, and of the importance of forming a front that actually confronts the PLO's independent line.

Meanwhile, other sources find it more likely that Syria's objective behind this step is not just to create the presence of a split in the Palestinian arena but also to highlight this organization as a weight that must be taken into consideration by the parties engaged in the dialogue in charting the political and organizational program that guarantees achievement of Palestinian national unity, along with full Palestinian independence. Consequently, this organization should not be discarded from the calculations concerning the structure of the Palestinian leadership--structures which the Palestinian National Council will discuss in its forthcoming session. This organization should also not be dropped out of consideration as one of the factors influencing even the convocation of the session of the Palestinian National Council itself.

In any case, there is no more ambiguity or vagueness concerning one of the objectives of the Syrian movement versus Palestinian independence within the framework of the PLO. Therefore, these fabricated and suspect steps, in addition to not being new, will not deceive our people's masses who watch with vigilant eyes and with hearts full of optimism for the Palestinian moves toward national unity while at the same time overflowing with grief for this paralysis which has afflicted the Palestinian body as a result of the disputes--a paralysis as a result of which the Zionist enemy is able to perpetrate a new massacre against the Palestinians in 'Ayn al-Hulwah.

Our Palestinian masses are fully confident that the new Syrian step of hostility to national unity will be smashed at the threshold of this unity if the parties involved in the Aden-Algiers dialogue maintain their declared positions, if they maintain what they have agreed upon in the dialogue meetings, if they exercise practical, full independence in the positions they project and if the geographic presence is not allowed to have an impact on their position.

The masses, which continue to make boundless sacrifices, are entitled to see the parties engaged in the dialogue shoulder their national responsibility, rise above differences and not allow the dialogue itself to turn into a demand because the dialogue will then turn into a "Byzantine debate." The masses hope that the Aden meeting on 8 June 1984 will be the end of this dialogue so that the Palestinian position may regain its unity and so that the Palestinian National Council may convene to establish the organization's new policy and elect the leadership that is required to implement this policy in a manner that guarantees that the PLO will regain its vigor and its ability to take the initiative and continue the march in defense of the general rights of our generous people despite all calamities and in all circumstances.

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PROSPECTS FOR PALESTINIAN RECONCILIATION EXAMINED

Riyadh AL-YAMAMAH in Arabic No 802, 9 May 84 pp 36-37

[Article: "'Arafat: No Time for War or for Peace"]

[Text] Paris--Palestinian circles are pointing out Abu 'Ammar's insistence on convening the [Palestinian] National Council at the end of this month even though the rift in the Palestinian ranks (especially over the collective leadership demanded by several organizations and over the independence of Palestinian decision-making to which Abu 'Ammar clings) continues to be an uneasy rift.

In the statements and interviews he made during his visit to Amman, Yasir 'Arafat said that the Palestinian National Council will hold its meeting at the end of the current month of May in Algiers. He also stated that he had asked the Egyptian government to host the Palestinian Studies Center in Cairo and that the government has agreed to do so. He further stated that he will go to the PRG before his visit to Moscow.

These three positions underlined by the PLO chairman are not, of course, likely to facilitate the ongoing efforts to reconcile him with the dissident or opposing Palestinian organizations or with Syria. But some observers say that this is Yasir 'Arafat's political method. To him, the path of reconciliation passes through firmness, not capitulation, the path to Moscow passes through China and the path to Damascus passes through Amman and Cairo.

Despite all the efforts and meetings, the Palestinian organizations have not been able so far to unite their positions and ranks in the wake of the disagreements and splits which developed after the withdrawal from Beirut and Tripoli. But it seems that these disagreements and splits have not reached the point of no return, excluding the dissidents from Fatah or the Abu Musa group which took part in the Tripoli battle [against Fatah] and which is still present in the Lebanese territories and, perhaps, the Abu Nidal group which has been openly hostile to Yasir 'Arafat for years. As for the Democratic Front, the Popular Front and the Palestinian communists, they have not cut off the line of negotiations and communications to unite the ranks and to bring success to the Palestinian National Council's meeting.

In his latest statement, the PLO chairman says that it is not necessary that the organizations agree on everything for the Palestinian National Council to convene. But he adds that the real disagreement between the Palestinian organizations and leaders is the disagreement between the advocates of "independent decision-making" and "Rome's slaves," meaning by Rome's slaves those parties that are subservient to some Arab regimes, especially to Syria and Libya. In another statement, Yasir 'Arafat praises Egyptian President Husni Mubarak for his stance on the issue of moving the foreign embassies to Jerusalem and for his severance of diplomatic relations with El Salvador for moving its embassy. In a third statement, 'Arafat praises King Husayn and lauds the currently existing cooperation between the PLO and Jordan.

From these latest statements by the PLO chairman, the following conclusions can be made:

1. Yasir 'Arafat is eager to keep the door of dialogue and cooperation open between himself on the one hand and Egypt and Jordan on the other hand, despite the presence of Camp David [accord] and despite Jordan's position which does not reject the principle of negotiation with Israel over the future of the West Bank. The reason for this is obvious, namely that Yasir 'Arafat has never abandoned the policy of the "rifle and the olive branch," i.e. the policy of continuing the armed struggle along with continuation of political and diplomatic efforts and steps. In the wake of the setback in Lebanon, 'Arafat still perseveres in this policy.

2. Yasir 'Arafat still clings to and insists on the independence of Palestinian decision-making. This is why he insists on Fatah's leadership of the PLO by virtue of Fatah being the organization most independent of the Arab regimes and by virtue of the presence of numerous leaderships inside it and of other organizations supporting it.

'Arafat refuses to reorganize the Palestinian leadership in the manner demanded by the other organizations, considering that the demanded new organization and what some call the collective leadership is likely to obstruct the free movement and independence of the leadership, in addition to its being tantamount to a personal condemnation of 'Arafat's leadership and to saddling him with the responsibility for what happened in Lebanon.

3. Yasir 'Arafat's rapprochement with Egypt and Jordan, his visit to the PRG before Moscow and his visit to Rabat after Algiers are tantamount to a reaffirmation of the independence of Palestinian decision-making. Yasir 'Arafat still clings to the resolutions of the Fes summit and of the latest Palestinian National Council, which reject the Reagan plan. He also continues to reject Camp David. However, he tries through these visits to open small or big gaps in the U.S. and international wall to achieve political gains, especially at a time when the armed struggle seems to be at a dead end in the wake of the departure from Lebanon.

4. Yasir 'Arafat is not wagering on a Jordanian-Palestinian agreement that would open the way for negotiations with Israel over the future of the West Bank in accordance with the Reagan plan. He is also not wagering on Egypt's renunciation of the Camp David Accord at present or in the near future. But at the same time, he does not see the objective current conditions as conducive to a popular liberation war or to exerting military pressure on Israel. This is why he does not reject the military solution finally. However, he believes that raising the slogan of war and of the armed struggle at present does not constitute a serious position and causes the Palestinian issue to lose many of the political gains it has made at the international level.

In fact, the current problem between the Palestinian leaders and organizations is not exactly the problem highlighted by some media or by the statements of some Palestinian leaders, i.e. it is not the problem of "gathering the forces," of "uniting the ranks," of a choice between the consensus system and the majority system, of a choice between Egypt and Syria or between Jordan and Libya, a problem of a choice between the "broad front" and the historic leadership or a problem of a choice between the "collective leadership" and rebuilding the organization and the leadership in a fundamental manner. This is because all these raised slogans are no more than reflections of Arab reality on the PLO in this critical current phase. As long as the Arab countries are unable to convene a summit to evaluate the phase following the Fez summit resolutions, it is difficult for the PLO to hold a summit meeting or even to gather the Palestinian National Council to agree on a strategy with clearcut features and objectives.

Yasir 'Arafat's visits to Amman after Rabat and Algiers and his going to China before visiting Moscow seek more than anything else to keep the Palestinian issue alive and present in the minds of friendly and fraternal countries. These visits also seek, naturally, to explore the features of the options open to the Palestinian in the phase after the departure from Lebanon. However, the visits seek especially to underline the independence of Palestinian decision-making and Yasir 'Arafat's rejection of the reform or reassessment plans which some Arab states are trying to impose on him through some of the Palestinian organizations subservient to these states or influenced by them.

Will Yasir 'Arafat succeed through these visits in dealing with the issue of the disagreements and splits abroad before convocation of the Palestinian National Council or will these visits and the statements he makes lead to further disagreement and differences between the organizations and, perhaps, to postponing convocation of the Palestinian National Council?

The answer to this question is tied to a great extent to the international and regional developments which, in turn, are tied to the development of the Syrian-Israeli conflict on Lebanese soil and to the U.S. and Israeli elections.

The reasons that have motivated the opposing Palestinian organizations to criticize Yasir 'Arafat's method of leadership and to demand that he change this method or reevaluate the leadership's structure are still present and no important change has developed in the Arab or international atmosphere capable of influencing the position of these organizations. Experiences have proven that the unity of the Arab or Palestinian ranks is not achieved except after an important event, even in the face of a war or in the wake of a setback. As long as no such event is expected in the next few months, at least not before the conclusion of the U.S. or Israeli elections, Yasir 'Arafat's tour can be considered another aspect of the efforts exerted to reconcile the Palestinian organizations. This is because 'Arafat still believes that the independence of Palestinian decision-making depends on the organization's openness to all the Arab countries, rather to all countries of the world, and not to its being tied organically and finally to one regime or to one of the major powers.

It is a difficult option because it transfers the international and Arab conflicts to within the PLO. However, it is, as Yasir 'Arafat says, the only option to safeguard the independence of Palestinian decision-making and Palestinian national destiny.

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HISTORY, PROSPECTS OF RELATIONS WITH SYRIA DISCUSSED

Riyadh AL-YAMAMAH in Arabic No 803, 16 May 84 pp 32-33

[Article: "Al-Asad and 'Arafat: Who Is Conversing With Whom"]

[Text] Palestinian-Syrian relations have become the common denominator in any talks held by Syrian officials with their colleagues, be they Arab or non-Arab. Some enter as mediators, some offer their commendable efforts and others convey their wishes for restoration of the relations between the PLO and Damascus to their previous condition, or at least to what they had been declared to be in the phase prior to the Zionist invasion of Lebanon and to the blockade of Beirut in the summer of 1983. Despite the direct and indirect confrontation against the Zionist enemy and despite the war between the allies of Syria and the PLO against the allies of the occupation which Lebanon, the joint arena for both the PLO and the Syrians, witnessed in the summer of 1983, all the important developments in the tense relations between the two sides have known nothing but further escalation. A return to the phase preceding the Zionist invasion of Lebanon shows that Palestinian-Syrian relations had known only a few months of honeymooning throughout years of tension--a tension which climaxed in the armed confrontation which took place in Lebanon in 1976 and a concealed tension which did not appear even in the communiqués and statements which were issued in both Damascus and Beirut.

However, the opening of the Jordan River line, the establishment of central bases in the Jordan Valley as of the summer of 1967, the opening of the Lebanese borders for the resistance men after 1968 and the tactical military difficulty of reaching the occupied Golan gave the Syrian front a relative respite and the resistance did not feel the wound of its inability to use the Golan due to the availability of alternatives to confront the occupation forces. But the departure of the resistance forces from Jordan and the developments which the Lebanese front witnessed, especially after the 4-day war at the beginning of 1972--a war which the Zionist enemy launched against the resistance forces in the al-'Urqub area of Lebanon--and the Lebanese government's demand that the PLO stop its military operations launched from the south and the subsequent [Israeli] military operation which covered the central sector of the south in September 1972 led the resistance to direct its operations against Zionist targets in Europe. Israel retaliated for those operations with air raids against some positions in Syria and those raids led to repeated Israeli-Syrian dogfights.

In that period, the relations between the PLO and Cairo were at their peak. Damascus did not feel embarrassed or sensitive to those relations because preparations were underway for the October 1973 war and because there was advanced coordination between Cairo and Damascus which tried to include Amman in the war arrangements. It was noticed at the time that the PLO had been excluded from those arrangements.

After the war, the area was introduced to the settlement phase. The Syrian president declared his country's acceptance of resolution No 338, which calls for approving Security Council resolution 242 as a basis for settling the Arab-Zionist conflict. This is something which Damascus had previously rejected. The PLO also declared its readiness to take part in the settlement through its new phased program which moved from [the phase of] the national authority to [the phase of] the independent Palestinian state. The PLO also declared its readiness to accept resolution 242 if it were amended to call for the Palestinian people's right to self-determination instead of calling for the refugees' rights.

But the agreement on the war did not carry with it an agreement on the settlement afterwards. The disengagement of forces on the Egyptian front and the subsequent Geneva conference took place without the participation of Syria, which refused to participate because the PLO was not a participant. However, this lack of participation did not motivate either the PLO or Damascus to reject the settlement entirely. U.S. Secretary of State Henry Kissinger was aware of this and so he established links for the settlement as the objective of his plan. Those links were arranged as follows: the Egyptian link first, then the Syrian link and then the Palestinian problem, either through Jordan or through representatives of the West Bank and Gaza Strip. This was aimed at excluding the PLO and at creating alternatives to it.

If this arrangement satisfied Damascus [in one way], it did not please it in terms of the participants because it sought to include the PLO so that it might be its ally in the settlement process. The resolutions of the Arab summit conference held in Rabat in 1974 came to shake the Kissinger plan somewhat because those resolutions declared the PLO as the sole legitimate representative of the Palestinian people. Therefore, any settlement had to be achieved through the PLO.

Under Egyptian pressure, Kissinger changed the arrangement of his links, with the Palestinian link becoming the second after the Egyptian link, to be followed by the Syrian link. Syrian President Hafiz al-Asad recognized the dangers of this arrangement to his front and tried to arrange the Lebanese conditions as quickly as possible. But an all-out explosion occurred in Lebanon in March 1976 after a lull which did not last more than 2 months. With this explosion, the talk about the Palestinian link intensified and the estrangement between Damascus and Cairo escalated at a time when the Palestinian-U.S. contacts were taking an official form for the first time through evacuation of the U.S. citizens from West Beirut. After the PLO had scored several victories over the isolationist forces,

the U.S. interest in it grew stronger and the PLO found this an opportunity to strengthen its role in the settlement process.

Because the new U.S. administration coming after 1976 was preoccupied with "studying the dossiers," no practical steps emerged insofar as the settlement is concerned, excluding the Soviet-U.S. communique of October 1977 which called for the Palestinian people's right to self-determination and on which Washington backed down a few hours after it was signed.

The first initiative to revive the settlement process under President Carter's administration came from Egyptian President Anwar al-Sadat through his visit to occupied Jerusalem and through the start of the direct negotiations with the Likud government headed by Begin. The settlement thus moved completely away from the eastern front, whether in terms of the Palestinian, Syrian or even the Jordanian link. This restored relative harmony between Damascus and the PLO, both through the front which was formed at the time by Syria, Libya, South Yemen and the PLO and known as the Steadfastness and Confrontation Front and through the beginning of the intensifying conflict between Damascus and the Phalange Party in the wake of the al-Fayyadi clashes at the outset of 1978, of the assault launched against the residence of ex-President Sulayman Franjiyah, Damascus' ally, which led to the assassination of Franjiyah's son and his son's family, and of the violent battles which took place in the eastern area between the Syrian forces and the Phalange Party forces.

Upon conclusion of the Camp David process, the search began anew for arrangements concerning the other links. The years 1979-80 witnessed numerous Palestinian accomplishments at the diplomatic level, the PLO offices began to be accorded the treatment of embassies and Yasir 'Arafat the treatment of a head of state. When talking of the Middle East crisis, the axis was the Palestinian issue. Europe witnessed a transformation in its position through the Venice declaration in which Europe reaffirmed the Palestinian people's right to self-determination. International talks witnessed renewed emphasis on the Palestinian link.

In this climate, President Reagan entered the White House, bringing along with him Alexander Haig, who is sympathetic to the Zionist entity, as head of the U.S. diplomacy. Al-Sadat was then assassinated and the phase of Mubarak's Egypt began. In June 1982, Israel invaded Lebanon and blockaded Beirut. The Syrian forces withdrew from the mountain and fought only in the hills overlooking the al-Biq'a plain when the Israeli artillery threatened Damascus. However, the Syrian forces did inflict heavy losses on the Israeli forces and compelled them to stop in the area of 'Alayh, Sawfar, al-Baruk and al-Qar'un. Beirut was under siege and the Palestinian and Muslim Lebanese fighters were fighting side by side, along with 800 Syrian troops who were a part of the deterrent forces that had stayed in Beirut. The Beirut blockade was, despite the resistance's loss of its military positions in Lebanon, a source of further diplomatic and propaganda gains for the resistance. During the departure of the resistance forces from Lebanon, Reagan announced his plan, which constitutes an advanced step in the U.S. concept of the settlement. However, the plan does not go

beyond the general framework of this concept, which calls for insuring Israel's security but fails to call for its withdrawal from all the Arab territories or for the creation of an independent Palestinian state. In his plan, Reagan discarded any reference to the PLO and focused on Jordan's role. At the same time, he did not at all touch on the issue of the Golan. Damascus thus declared its rejection of the plan and the PLO dealt with it by the diplomacy of the "yes-no," saying that it contains positive points. Damascus recognized the PLO's objective behind this diplomacy, especially since the Arabs had declared their peace plan in the Fez summit. Damascus considered the Reagan plan a blow aimed at an intended to contain the Arab peace plan.

The relationship between Damascus and the PLO had experienced concealed tension during the Beirut blockade--a tension which surfaced in the references contained in Yasir 'Arafat's statements and in his determination not to leave Beirut for Damascus directly and his heading for Athens and then to Tunis where he established his headquarters. The tension also surfaced in Syrian President Hafiz al-Asad's refusal to take part with the Arab kings and heads of state in receiving 'Arafat upon his arrival in Fez to attend the summit. The concealment carried threats from each side to the other through each side's independent arrangement of its papers without any coordination with the other side. The Syrian president had refused to receive 'Arafat despite the latter's repeated visits to Damascus. With the emergence of the possibility of concluding a Lebanese-Israeli accord, President Hafiz al-Asad and Yasir 'Arafat met for the first time in May 1983. However, that meeting was the first and the last because the Palestinian arena then developed a deep rift as a result of the rejection by some Palestinian military commands of 'Arafat's decisions appointing some people who had been accused of desertion and of negligence during the Zionist invasion of Lebanon. Then the well-known events [the split] took place in Fatah, the PLO's backbone, and it became evident that the military changes were no more than the straw that broke the camel's back within Fatah.

Lebanon's al-Biqa' began to witness military clashes and then came Tripoli's turn and the departure of the pro-'Arafat forces from this city, the last position these forces had in Lebanon. Politically, this period witnessed 'Arafat's meeting with President Mubarak in Cairo and the Palestinian organizations' rejection of this meeting.

The clashes and the field changes taking place in Mount Lebanon and in Beirut made some analysts believe that those clashes and changes would contain the rift between Damascus and the PLO leadership. But the consequences proved the opposite because each had its own objective. The situation could not withstand the continuation of this conflict. But despite the efforts of the mediators, the tension did not end. Each side had its own terms for the reconciliation. If secured, these terms would constitute the minimum for the relationship between them. The PLO leadership insists on the independence of Palestinian decision-making and

on non-intervention in its internal affairs and Damascus insists that it is not so much a disagreement with the PLO as it is an inter-Palestinian disagreement. Moreover, Yasir 'Arafat has gone far with the U.S. settlement through his coordination with Jordan and his relationship with Cairo. It is evident that Damascus is not pleased with any advanced Palestinian-Jordanian relationship because it believes that such a relationship comes as its expense. The mediators' role was to convey the views and bring them closer to each other. After more than 6 months, the mediators have had their axis in Aden and Algiers, moving the reconciliation in two directions: the direction of an inter-Palestinian reconciliation and the direction of a Syrian-Palestinian reconciliation.

At the inter-Palestinian level, there have been some developments in the wake of the Aden and Algiers meetings which are scheduled to be completed shortly and which are aimed at reaching a comprehensive agreement that forms a background for the forthcoming Palestinian National Council [session]. On the other hand, it is noticed that a calm Syrian-Palestinian tone is prevailing these days. The Palestinian media have stopped attacking Damascus or even attacking the directly pro-Damascus organizations, such as al-Sa'iqah, and Damascus has softened its media's tone, even toward the statements he [presumably 'Arafat] made recently to a French magazine expressing his readiness to negotiate directly with Israel under the patronage of the United Nations. Are these indications of a new Syrian-Palestinian phase? For the PLO leaders, the issue depends on Damascus' wish and intentions. The PLO, as 'Arafat had previously told AL-YAMAMAH, is prepared to conclude a strategic political alliance with Damascus if Damascus respects the independence of Palestinian decision-making. The PLO is aware that Tunis has no strategic importance as long as Damascus is remote and Amman is incapable of absorbing the Palestinian situation. Damascus is also aware that what has happened throughout the past months has not led to projecting an alternative acceptable at the Arab and international levels, especially since the phase is a new phase of the settlement.

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RESEARCH DEPARTMENT REVIEWS BUDGET COMPONENTS

Riyadh TIJARAT RIYAD in Arabic No 268, Apr 84 pp 11-17

/Article: "Features of Fiscal and Economic Policy in the Light of the Kingdom's General Budget for 1984-85--One"/

/Excerpts/ An analysis of the data and figures contained in the budget statement will show the great goals the budget for the new year is aiming toward. These are considered a culmination of most of the broad objectives the third development plan has had as its goal.

Herewith is a diagnosis of the most important features of the budget for the new fiscal year and a diagnosis of the relationship between the budget and the goals and achievements of the three development plans.

This treatment includes a diagnosis of the features of the budget under the following headings:

First, the structure of the general budget and its elements in the kingdom.

Second, a diagnosis of the most important features of the new budget:

- A. A diagnosis of the overall magnitude of the new budget.
- B. A study of the distribution of financial allocations to various sectors.
- C. A diagnosis of the degree to which basic incentives for private investments are being preserved.

Third, the relationship between the new budget and the achievements and budgets of the previous period:

- A. The strategic goals' role in linking the various development plans.
- B. The effect of the development of fiscal allocations on the degree to which goals are attained.

C. The connection between the execution of the budget and the work completion level.

D. The role of the budget in determining the indicators of trends in the general economic situation.

E. The connection between the new budget and expectations for the future.

In this issue we will review the first and second parts of the research project; the publication of the third part will occur in the next issue. It is worth pointing to the purpose in each of the previous points:

1. The study of the overall magnitude of the new budget: this reflects the cost of the requirements of gross demand for public services in general.

2. A study of the apportionment of fiscal allocations to the main sectors: this reflects the priorities and degree to which balanced growth has been attained among sectors.

3. A diagnosis of the extent to which investment incentives the development plans contained in previous years have been retained: this reflects the government's ability to sustain the ongoing momentum of the development plans and the degree to which international obstacles have been overcome.

4. A diagnosis of the relationship between the new budget and development plan accomplishments in previous years; this reflects the point that the new budget is a continuation of the accomplishments in the three development plans which have been made in the budgets of previous years and that the budget for the new year is a culmination of the goals of the third development plan, in light of its character as the end of a third plan which is on the verge of ending and the beginning of a fourth plan which is about to begin.

First, the structure of the general budget and its elements in the kingdom:

A. The concept and features of the general budget:

In the preliminary analysis in which we dealt with the kingdom's budget since the fiscal year 1978-79, the concept of the budget was discussed as meaning a detailed estimate of the government's expenditures and revenues for the period of a fiscal year, authorized by the higher official authorities. The notion of general expenditures has been described as meaning an amount of money coming out of the government treasury to meet a public need (such as the building of schools and hospitals, the propagation of education, the construction of roads, the sovereignty of the citizens' security, the outfitting of the army and so forth), where the satisfaction of these needs will lead to the citizens' welfare, security and stability. The analysis also addresses itself to the importance of public expenditures in guiding the economy in the proper way and the manner in which it is possible, through them, to influence all economic indicators. In the budget for the fiscal

year 1979-80, the effect of public expenditures on national consumption and their effect on savings and the prices of goods and services was addressed, and the analysis dealt with the point that public spending leads to an increase in the volume of factors of production, that is, productive capacities, through new projects, the improvement of their quality and an increase in their capability through the various development processes, such as the development of scientific and technological research and the development of social and health services.

The analysis stated that public expenditures lead indirectly to increased national income through increased demand for goods and services, in the event these expenditures are real, and to an increased standard of living for some classes of the population because of the distributive effects of public expenditures. The effect of public expenditures on economic improvement depends on the degree of progress in the productive system, its flexibility and the increase in the supply of goods and services, and public expenditures affect national savings through their influence on national income, provided that there is an increase in the propensity to save among individuals, whenever there are opportunities for them to obtain some goods and services free of charge.

The general budget of 1980-81 addressed itself to an important stage in the budget, embodied in the method of classifying the government budget and the method of estimating its allocations; it summarized the bases for classifying the budget as a classification founded on the type of spending, organizational units, programs or function or activity. It became clear that the choice of any of these bases had the goal of serving the process of forming the budget, participating in effective execution and lastly serving the goals of oversight.

In the budget for the new fiscal year, 1984-85, emphasis will be laid on analyzing the structure of the kingdom's general budget and introducing its elements, and the research will concentrate on diagnosis of the features of the new budget and explanation of the priorities on which it is founded.

It is appropriate, in this regard, for us to recall the overall concept of the general budget and the features by which it is distinguished.

The general budget consists of "a list containing detailed approved estimates for the government's disbursements and revenues for a coming fiscal year." It consists of all the revenues which are to be collected and all the expenditures which are to be disbursed within a fiscal year starting on 1 Rajab and ending at the end of Jumada al-Thaniyah of each year. Therefore, it is the means by which it is possible to forecast the government's economic, social and political tendencies and its future plans. It is the mirror which embodies the hopes for and economic revival in the future. The most important characteristics of the government's fiscal budget are embodied in the following:

It is a list or statement of government disbursements and revenues.

This statement is estimated, not actual.

The statement covers a specific period of time, which is generally a year.

The statement is approved by the competent authorities.

The most important goals of the general budget are represented by two basic elements:

Outlining the government's fiscal policy for a coming fiscal year.

Determining government spending programs for a coming year and imposing fiscal and legal oversight on their execution.

B. Analyzing the elements of the structure of the general budget in the kingdom:

The government budget in the kingdom is considered to constitute an important statement on government policy in the coming stage, since it reflects the effects of the government spending listed in the budget on all sectors of the Saudi economy. The kingdom's budget is also considered an instrument for the execution of a massive economic and social program aimed at turning the kingdom into an economically advanced country, in order to realize prosperity and welfare for the citizens in the shortest possible time.

The kingdom's budget consists of two tables, one for revenues and the other for expenditures. The breakdowns of the budget include two classes:

The first involves the budget of the main sectors in the government.

The second involves a group of budgets for independent bodies and represents the appendices to the budget statement.

Herewith is a brief statement on the distribution of revenues by class, then the distribution of expenditures by chapter and the contents of each main spending group in each chapter:

Revenues:

Revenues are broken down into oil revenues and other revenues.

Revenues include the following:

1. Oil production: This includes royalties from Aramco, Getty Oil Company and Arabian Oil Company Limited (the General Petroleum and Mineral Organization).

2. **Income taxes:** This includes the tax collected from Aramco, Getty Oil Company and Arabian Oil Company Limited, as well as the income collected from other companies and liberal professions in the kingdom.
3. **Tapline transit tariffs:** These are tariffs which are collected from the Tapline Company in exchange for transit by pipe across the Kingdom of Saudi Arabia, from the oil production centers to Lebanon.
4. **The tax on petroleum products:** This is a tax on the consumption of petroleum products imported into the kingdom.
5. **Customs duties:** These consist of two types, an ad valorem duty collected for the total value of imported goods, and a tariff duty collected in specific ways in accordance with the quantity of goods.
6. **Transportation tax:** This includes fees for licensing cars and road tax.
7. **Services:** This includes fees for public services in territorial ports and oil terminals and revenues from the commercial registry, airports, posts, telegraph, telephone and telex.
8. **Papers with value:** These include the value of stamps on official transactions, publications, automobile driver licenses, labor permits, residence permits, passports and identity cards.
9. **Government sales:** This is the sales the government makes from its own moveable and immoveable property.
10. **Rents and instalments:** These include government property rents and instalments on employees' housing.
11. **Diverse revenues:** These include profits, fines, penalties and all other various revenues which have not been categorized in the sections above.
12. **The Islamic tithe:** This includes the tithe on commercial exhibits which is owed by Islamic law by Saudis for various types of commercial activity they engage in; its fixed sum is 2.5 percent of operating capital to which drafts are transferred plus profits, which the Tithe and Income Department collects, as well as the tithe on livestock.

Expenditures:

Expenditures are broken down into recurrent expenditures in Chapters One, Two and Three and non-recurrent or capital expenditures in Chapter Four.

These chapters are represented by the following:

Chapter One: Salaries and added benefits:

This chapter includes all fiscal allocations for expenditures concerning people working in government agencies in the form of salaries, allowances,

bonuses and government contributions to insurance and pension funds, as well as all benefits in cash and kind given to employees.

Chapter Two:

This concerns general expenditures, that is, general expenditures on services and equipment. It contains four groups, the group on commodity accessories, the group on service accessories, the group on transitional expenditures and the group on specialized expenditures.

Commodity accessories consist of the value of the materials and commodities public bodies require to perform the services for which they have been established.

Service accessories: these include the money the government spends, collected from others, on services and investments needed to perform its activity and run its work, such as maintenance and operating expenditures due others and due subcontractors, research services, experiments, publicity and the media, and the like.

Transitional expenditures: These are all expenditures derived from activity in the course of the year without the receipt of payment in specific goods or services in direct form, such as the payment of taxes and duties.

Specialized transitional expenditures: These are all expenditures made in the course of the year without payment in specific goods or services in direct form, which cannot be linked to activity in a direct form either.

Chapter Three:

Diverse expenditures. These include transfers in the form of subsidies and foreign aid. They include subsidies (subsidies to organizations with independent budgets, municipalities, student subsidies, electricity subsidies and different bodies).

They also include diverse expenditures (expenses of government organizations, such as subscriptions, and contributions to international authorities and conferences; they also include expenses for treatment, study and training abroad, in addition to security aid, desert settlement and various forms of compensation.

Chapter Four:

This includes projects, that is, projects in all government sectors, including development and infrastructure projects (water, roads, municipalities and sewers), and other projects of ministries and other government departments.

Second, a diagnosis of the features of the new budget:

A. The overall magnitude of the new budget:

The following should be noted regarding the overall volume of revenues and expenditures in the new budget:

1. Total allocations for anticipated expenditures in the new year (1984-85) came to about 260 billion riyals, as compared with about 222 billion riyals in actual expenditures last year. This indicates a drop in the volume of estimated revenues in the new year of 16 percent from total actual expenditures in the previous year and a percentage drop of close to 20 percent of estimated expenditures in the previous year (since they were estimated at about 312 billion riyals).

2. In spite of the extent of the effect of the decline in worldwide demand for petroleum among consumer countries on estimates of international influence which the decline in the anticipated figures for revenues and expenditures for the new year relative to the estimated figures for the previous year has reflected, the comparison with previous figures and the method of setting out estimates indicate the degree of precision in the estimates for the new year, in respect both to revenues and expenditures, in the tendency toward the principle of caution and wariness in setting out estimates. These comparisons also indicate that the estimates for the new year have taken the realistic results of the actual execution of the budget for the previous year into consideration, making the estimates for the new year more realistic and more capable of being applied and carried out.

4 [sic]. The trend toward a reduction in estimates in the new budget, relative to the budget estimates of last year (especially in respect to expenditures), indicates the government's determination to continue the policy of guiding spending which it followed last year, when the government agencies cooperated during the year that ended to guide actual spending, especially in limiting administrative expenditures. The policy of guiding spending is to be considered one that counterbalances the method of setting out estimates in the period of relative abundance in previous years, since the bases for setting out estimates exceeded the limits of caution and wariness, as a result of the relative abundance of resources in previous years, which allowed many restrictions which the rules of control, close oversight and budget surveillance require to be ignored.

5. The figures indicate that expenditures are continuing to tend to expand, in spite of the drop of expenditures in the new year in comparison with the previous one: the rates of spending in the new year trended toward levels higher than the volume of anticipated revenues in the new year, as expenditures exceeded estimated revenues by about 45.9 billion riyals, which would be financed by drawdowns from the general government reserve, in accordance with the decree on the general government budget. The increase in expenditures over estimated revenues in the new year indicates the government's care and adherence to the principle of continuing the desired rate of development and the country's real growth. These trends also underline the government's ability to realize balance between the principle of guiding spending

on the one hand and the principle of expanding necessary expenditures for development purposes on the other. Guiding spending does not mean sacrificing requisite priorities and necessary development programs, as long as their essential motives are basic needs.

B. Diagnosing the degree of distribution of allocations to main sectors:

Analysis of the details of the general government budget in the new year and close reflection of the degree of the distribution of fiscal allocations to the main sectors show the following:

1. The current government budget is only a continuation of the steps that have been charted in executing the goals specified in integrated installments in the three development plans over previous years. The basic features of the breakdown of the budget are concentrated in the continuation of the main fixed tendencies of the plans of the third 5-year plan, which are represented by:

Attention to the sectors of production.

Attainment of fiscal and economic stability, in a manner which will guarantee control of inflationary pressures within relatively acceptable limits.

The emphasis on attainment of these principles is clear from the indices to be inferred from the fiscal budget for the new year, which, in its allocations, has been oriented in the following directions:

Development of economic resources.

Development of manpower.

Social development.

The completion of basic facilities.

These elements are considered in effect the main tendencies on which the development plans are concentrated and toward which they are directed, during its course toward comprehensive development.

2. The new budget is devoting a large proportion of credits to industry and agriculture in order to diversify income sources. This will result in the creation of balance between productive and service sectors (in the areas of agriculture, industry and trade) on the one hand, and the facilities sector on which development plans concentrated in past years on the other.

3. As a result of the government's concern for the continued growth of the local production sector, the private sector is given the pioneering role in the new fiscal year. This is in keeping with the nature of affairs, in view of the completion of project facilities and infrastructure and the government's desire to hand over the pioneering role in the economic process

to the private sector. This is stressed by the government's concern for the continuation of the encouragement policy through financial incentives and subsidies, whose figures in the new budget have not been affected.

4. The budget gives obvious priority to manpower development and social development, on the other hand, to keep abreast of economic development. This reflects continued attention to the Saudi citizen, especially with the allocation of a large proportion of fiscal credits toward education, training, the raising of the level of health services provided, and the provision of housing, services and various facilities, as will be apparent from the figures mentioned later on.

5. Since the progress and prosperity the kingdom is witnessing in all areas is but a reflection of the stability and security the citizen enjoys, which everyone wants to continue, the new budget has not ignored the subsidization of the higher strategy of the government. The defense and security budgets have been granted large allocations which are in keeping with the gravity of these higher strategic goals.

6. The paucity of allocations listed with respect to infrastructures reflects the advanced strides the kingdom has covered in the activities of infrastructure established in previous years. This at the same time justifies the lack of magnitude in the sums listed in the new budget, in comparison with the listings made in budgets for past years.

Herewith is a detailed statement on the allocations to major sectors, as well as the most important sections on authorized expenditures in the budget for the new fiscal year, 1984-85:

1. The sector of education:

This sector includes the Ministry of Education, the General Department of Girls' Education and the universities. Allocations to this sector came to about 30.46 billion riyals in the new budget as compared with the 24.7 billion actually disbursed in the past fiscal year, indicating an increase in expenditures of 23 percent in the new year over the previous year.

2. The social development sector:

This sector includes the Ministry of Health, the Ministry of Labor and Social Affairs, the General Department of Youth Care and the Ministry of Information.

Allocations to this sector come to about 18.8 billion riyals as compared with the 14.14 billion riyals actually spent in the fiscal year ending last /lunar/ year, which points to an increase of 28 percent in expenditures in the new year over last year.

3. The basic facilities sector:

This sector consists of the Royal Commission for al-Jubayl and Yanbu' and the Ministry of Public Works and Housing; allocations to the sector will come to about 9.83 billion riyals in the new year, as compared with about 0.38 billion in actual expenditures last year, indicating that there will not be an increase in expenditures in the basic facilities sector this year as compared with last year.

4. The municipality services sector:

Allocations to the budget of the municipalities and water departments in the new fiscal year will come to about 17.46 billion riyals as compared with the 11.13 billion riyals actually spent last year. That indicates an increase in expenditures on the sector of 75 percent over last year.

5. The transportation and communications sector:

This sector includes the Ministry of Communications, the General Railway Organization, the Ministry of Telegraph, Post and Telephone, the General Civil Aviation Department and the General Ports Organization. Allocations to this sector come to about 23.63 billion riyals in the new budget, as compared with about 22.19 billion riyals that were actually spent last year, or a rate of increase in sector expenditures of 6 percent over last year.

6. The sector of economic resource development:

This sector includes the Ministry of Agriculture and Water, the Ministry of Petroleum and Mineral Resources, the Ministry of Industry and Electricity, the Ministry of Commerce, the General Silos, Grain and Flour Mills Organization and the General Salt Water Desalination Organization. Total allocations to these bodies in the new budget came to about 17.56 billion riyals, as compared with 16.4 billion riyals which were actually spent last year, a rate of increase of 7 percent over last year in sector expenditures.

7. Projects:

It is worth pointing out that new development projects and programs will be established in the new year whose total costs are estimated at 44,712,000,000 riyals. These projects include new drinking water systems, water purification plants, sewers, the paving and illumination of new sections in all towns and villages, the improvement and development of other municipal services, university buildings, social care buildings, sports centers, new school buildings for boys and girls, new silos for storing grain, new road systems, the expansion of electricity systems and generating plants. The money that will be spent on the projects as a whole in the new fiscal year is estimated at about 111,693,000,000 riyals, 43 percent of the total expenditures estimated for the new year's budget.

It is worth pointing out that total payments by the Investment Fund to government organizations and companies (the SABIC company, the Petromin

organization and Saudia Airlines), which finance the projects and investments these organizations carry out, came to about 7,867,000,000 riyals in the past year, and the total investment costs in the projects of these organizations to the end of the previous year came to about 74.4 billion riyals, about 55.2 billion riyals of which were actually disbursed up to the end of the previous year.

8. The military and security sectors:

The allocations to these sectors in all come to about 79.9 billion riyals in the new year, strengthening the higher strategic objectives of the country.

9. The budget seeks to attain balance in the area of manpower:

Trends in the new fiscal budget indicate the government's desire to adopt a manpower employment policy whose trends will develop in a manner which is in keeping with the economic circumstances of the new year and the degree to which they are affected by the international economic crisis, in a way which will result in reconciling domestic human resources with the policy of bringing in non-Saudi labor, restricting that to the government's absorptive capacity, in accordance with international economic circumstances governing the drop in the level of international demand for petroleum and the completion of some activities which absorbed a large number of manpower in the previous period, such as the contracting sector and construction in general.

The new employment policy which the budget for the new year expresses is reflected in the decline of the total number of civilian positions authorized in the 1984-85 budget to 24,350 instead of 30,490 in the budget for the previous year, 1983-84. The new positions were distributed among various sectors. The sectors of education, health and social affairs accounted for the overwhelming majority of the positions, absorbing a total of 20,560 positions, or 84 percent of the total positions established. Health affairs alone accounted for 16,500 positions, equal to 68 percent of the total positions established, pointing to the importance that health care for the citizen has occupied in the overall fiscal policy of the new budget.

Herewith is a breakdown of new positions among these sectors:

The education sector: 352 positions for the purpose of opening 860 new schools and 5,370 new classrooms in existing schools.

Health: 16,500 positions, for the purpose of starting the operation of 16 new hospitals and the operation of 130 health centers as well, opening health institutes, and increasing the number of beds and clinics in existing hospitals.

Social affairs: This accounts for 540 positions in the budget for the new year.

Municipality affairs: The number of positions allocated to this in the budget for the new year comes to 470.

10. The budget indicates the effective start of the maintenance stage:

Among the tendencies to which the new fiscal budget refers is the government's desire to enter into the operation and maintenance field as a major, effective activity in the coming stage.

There is no doubt that that is logical especially now that the government has made a big stride in the realm of the basic structures which must require competent maintenance and operation, and it indicates the substantial rise in maintenance and operating expenses.

Expenditures on the operation and maintenance of public facilities and basic structures in the new budget (Chapter Three) come to 29.1 billion riyals, which is 24 percent greater than the money actually spent in the previous year (1983-84).

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ROLE, CONDITION OF MILITARY ACADEMIES REVIEWED

Riyadh AL-YAMAMAH in Arabic No 803, 16 May 84 pp 14-19

[Article by 'Abd-al-'Aziz al-Sa'b: "The Armed Forces: The Nation's Arm"]

[Text] The honor of His Majesty King Fahd ibn 'Abd-al-'Aziz' presence yesterday, Tuesday, at the great celebration the armed forces held on the occasion of the inauguration of the new facilities of King 'Abd-al-'Aziz College in its new location in al-'Uyaynah came as a confirmation of his majesty's constant attention to and followup of everything related to the armed forces, since they are the arm that protects the nation.

His majesty the king's oversight of the celebration of the graduation of the 11th class of academy officers and the 42nd class of faculty students is only an affirmation of the principle which his majesty's government asserted when it put "the construction of man" at the head of the goals of the development plans.

In fact, the armed forces' sectors were among the first to strive to turn the slogan of "the construction of man" into practical reality, since His Royal Highness Prince Sultan ibn 'Abd-al-'Aziz, the second deputy prime minister, minister of civil aviation and inspector general, has been concerned that the officers and soldiers of the armed forces have the highest levels of military education. To that end, his highness, and his highness the deputy His Royal Highness Prince 'Abd-al-Rahman ibn 'Abd-al-'Aziz, the deputy minister of defense and aviation, have intensified their efforts and labors to modernize the armed forces, in terms of personnel and equipment.

Perhaps his highness' inauguration of the new facilities of King 'Abd-al-'Aziz War College in its new location in al-'Uyaynah is an opportunity to shed some light on the college: how and when it began, and some of the military schools the armed forces have established.

King 'Abd-al-'Aziz War College

Let us begin in King 'Abd-al-'Aziz War College.

Concerning the origins of the college, its commander, Staff Brig Gen 'Abd-al-'Aziz 'Abdallah al-Dughaym, said "The beginning was in 1932, when the army established a military school in Mecca. Then this school was moved to the town of al-Ta'if until 1955, when a royal decree was issued (34/362 on 27 Safar 1374) establishing a military faculty by the name of King 'Abd-al-'Aziz War College. The faculty was opened in Riyadh in 1956 (Jumada I) and thus became the first academic military institution in the kingdom."

On the number of students who joined the college when it was established, Brig Gen al-Dughaym said, "They did not exceed 50, and there is no basis for comparison with the present number, since alongside social sciences the college offers its students the most modern theories military strategy has produced, and gives them a bachelor's degree in military science which is equivalent to the university degree."

"The college faculty is divided into two sections:

"A. Military personnel. These are the elite of officers in the land forces who have received a number of courses domestically or abroad.

"B. Civilians. They are an elite possessing higher degrees.

"In addition to the curricula taught in the college, the students engage in a number of extracurricular activities, to which the college gives special attention, such as parachute jumping and a trip to the borders, so that the students can become acquainted with the borders of their precious nation."

In answer to a question on the college's relationship to other military colleges, Brig Gen al-Dughaym said "There is coordination between the college and other military colleges through periodic meetings of commanders of military colleges, which discuss coordination and consultation in all fields bearing on the military colleges."

The Institute of Technical Studies

From the War College, we proceeded to the Institute of Technical Studies at King 'Abd-al-'Aziz Air Base, the citadel of scholarship which is concerned with training and instructing our sons and an elite of the sons of fraternal Arab countries in various fields of technical specialization. There we met with the commander of the institute, Air Staff Lt Col Muhammad Fuhayd al-Bishi, who stated that the fields of specialization in which the students are trained exceed 44, related to electricity, electronics, and air science mechanics. He went on to say, "In addition, the institute from time to time offers advanced technical courses in the fields of supply, management, surveillance and guidance of fighter planes."

In response to a question on the origins and development of the institute, he said, "The thought of establishing the institute first occurred in 1948, when the school of airport activity was established in al-Dhahran, to graduate technicians who would maintain and administer airplanes. Then the school was moved to the air force technical school. In 1971, the establishment of the technical school was begun, and it was officially inaugurated in

1974 under the supervision of His Royal Highness Prince Sultan ibn 'Abd-al-'Aziz, second deputy prime minister, minister of defense and aviation and inspector general. It was then called the Air Force Institute of Technical Studies. From that day, the institute has been an inexhaustible spring, since it has supplied, and is supplying, our air force with the qualified manpower to meet our renewed, advanced needs in the areas of combat aircraft maintenance and support so that these capable persons may contribute, alongside their brother pilots, in defending the territory of the nation and protecting its air space.

The institute admits people who have intermediate qualifications or people studying for them a second time, or people who have intermediate secondary diplomas; they study for a period of 2 years and 2 months, after which they graduate with the rank of deputy technical sergeant.

The School of Military Administration

Since combat troops must be supported by people who perform the tasks of administrative affairs and assignments subordinate to that in the form of supplies, arms and so forth, it was necessary that we visit the School of Military Administration. There, we met with its commander, Col Ahmad 'Abd-al-'Aziz al-Marjan, who stated that the school was founded in 1954 and was given the name of the School for the General Education of Recruits. It was established in the al-Ta'if area with the purpose of preparing military clerks, raising their clerical ability and competence and the conception of the administrative system, creating the best and most appropriate ways for administering transactions, and supplying the armed forces sectors with military clerks.

Col al-Marjan went on to say, "The school will accept people who have general secondary [credentials] and intermediate and elementary credentials. Everyone receives complete military training, with training for work in typewriters and abundant study of all clerical and computing activities, on top of extracurricular activities. Persons with secondary credentials graduate at the rank of clerk sergeant, those with intermediate credentials with the rank of deputy clerk sergeant, and those with elementary credentials with the rank of clerk corporal."

The Medical Services School

I left the School of Military Administration, thanking its administration for its responsiveness to the press and its important role in providing the rear lines of the armed forces with competent administrators, and headed for the Medical Services School.

There I met with its commander, Col Khalid Ahmad Mala'ikah, who said that the armed forces' Medical Services School was the most senior of the armed forces' schools and institutes, as it was founded in al-Ta'if in 1957, and the people who are enrolled in it study medical courses, in addition to the necessary military sciences, learning first aid and nursing, so that when they graduate they will be qualified to perform the work of noncommissioned medical officers.

Col Khalid went on to say, "In reality, the armed forces' Medical Services School is not restricted to preparing technical personnel for the armed forces' sectors; rather, its mission includes the training of personnel in the Domestic Security Forces, since it previously trained people from them. The school also always is receptive to admitting people from fraternal Arab armies."

The Artillery School

The fourth stop was the Artillery School, where we had a meeting with its commander, Staff Brig Gen Hamid Muhammad Maridini, who stated, speaking about the origins of the school, "The Artillery School was established in 1956 and contained two wings, the field artillery and anti-aircraft artillery wings. However, the large number and ramified nature of specializations required that the anti-aircraft artillery wing be separated from the Artillery School in 1962. The school was the first one to be established in the town of al-Ta'if. It then moved to its current location in the town of al-Khamis toward the end of 1973 and next year, God willing, the school will be transferred to its new headquarters which will contain, among its quarters, all educational and recreational facilities which will provide a suitable atmosphere for education. The facilities have been planned to cover the requirements of the center and the Artillery School for many years.

"The school now has advanced equipment and weapons which are in keeping with the requirements of the era and function with complex advanced modern technology. The most modern training aides, in the form of simulators and so forth, are used in training in them. With praise to God and success from him, we have managed to master them, and training in them takes place with full competence and ability. With this equipment, the artillery is advancing to the age of advanced modern technology which his royal highness the second deputy prime minister, minister of defense and aviation and inspector general and his highness his deputy wished for them, in accordance with the directives of our master, his majesty the king, the supreme commander of the armed forces."

Concerning the task of the Artillery School, Brig Gen Maridini said that that was restricted to the preparation of officers, noncommissioned officers and troops to work in artillery units and take part in teaching artillery courses in the land forces's schools, follow the development which is taking place in artillery use and tactics in modern armies, and offer that to artillery units on an individual basis, not to speak of the holding of transitional training for artillery units on new equipment. In addition to that, the school will be converted into a combat unit on command.

Brig Gen Maridini went on to talk about the school's areas of specialization, saying "The areas of specialization in which the students receive accreditation are numerous and provide an appropriate ground to enable the student to choose in accordance with his inclinations and his cultural level."

The Infantry Center and School

We met with Staff Brig Gen 'Ali Mufrih al-Qurni, commander of the Infantry Center and School, who hastened to tell us "In going back, in order to learn about the growth of these two institutes up to this day, when they constitute a single unit, we find that the nucleus of the school was in the town of al-Ta'if approximately in 1950. At that time it was called the Noncommissioned Officers' School. The public knew it as "the course network." At that time, under the orders of the minister of defense and aviation, the Noncommissioned Officers' School was formed, in 1953 (1 Jumada II 1392).

The officers' wing, or, specifically, the officers' courses, were added to it and it was given the designation of the School of Courses. In 1954 it was named the Infantry School, and continued to perform its tasks as well as possible through the efforts of the persons who were devoted to it, since from that time to today, men who performed their duty most proudly followed one another in succession in its command.

"In 1978 the former Military Police Academy and the Recruits' Training Center were attached to the Infantry School, and it was given a unified designation, the Infantry Center and School.

"The center was established in 1962 (1 Dhu al-Hijjah 1382) and it continued until 1979, when it was merged into the infantry.

"Since its establishment, the school has been engaged in offering various courses for officers, noncommissioned officers and soldiers in most sectors of the armed forces in order to prepare and graduate them as teachers and trainers when they return to their units. The school also cooperates with other units under the supervision of the land forces training department in setting out and unifying the necessary military expressions. It also holds special courses to study the modern weapons that are innovated related to the infantry, as well as any modifications which have been made recently in the education and training systems in use in the units. In addition, the school offers recommendations on the management of land forces training as regards subjects which form part of the school's programs.

"The school, exclusive among the schools and institutions of the armed forces, is designed along the lines of military colleges. The school holds a candidates' course under higher orders for noncommissioned officers from all sectors of the armed forces who meet the requisite conditions, since they are graduated, after the term of the course, alongside their brothers the graduates of the military faculties; that is, students graduate from the school at the rank of lieutenant in the Saudi Arabian army. When this course is held, the school accepts people sent from fraternal countries, such as the Gulf Cooperation Council countries and the Yemen Arab Republic, as well as the internal security sector, such as the ministries and so forth.

"The classes that are held in the school are numerous and diverse."

The Paratroops' School

At the Paratroops' School we met with its commander, Col Turki Khudayjan al-Nufay'i, who, talking about the origins of the notion of establishing the

school, said "In the past the Saudi forces did not have an idea about paratroops, except that there were three officers who were trained in parachute jumping for air rescue activities, who pursued jumping activities in participation with the air rescue team at al-Dhahran Airport.

"In 1955, officials in the armed forces thought seriously about establishing the Paratroops' School, and this school was established in the city of Jiddah. The first class graduated from it in the month of Dhu al-Qa'dah of the same year, and it celebrated Army Day in 1955 (on 17 Dhu al-Qa'dah) in participation with the army units.

"That was a strong impetus which encouraged efforts to develop this force and promote it, since this institute started to graduate classes, until in time the Saudi forces had a paratroop strike force which was used in many areas and had an effective influence. What inspires pride is that this institute, in addition to training paratroops, trains technical courses such as courses for teachers, jump commanders, the application of parachutes, the inspection of parachutes, the maintenance of parachutes, and all the other tasks that are relied on."

The commander of the school continued his discussion of the school by stating, "After that, the name of the Paratroops' School was changed in accordance with Order 3/3/2/502 of the chief of the general staff on 13 June 1978. The Paratroops' School was formed [sic] to the Center for Paratroops and Special Security Forces, a special motto was set out which symbolizes the new mission of the center, and new tasks were added to it, the holding of air supply courses and commando courses. In addition, courses are held for basic and advanced training and courses for qualifying commanders, as well as courses on free jumping, in addition to the courses which were held in the Paratroops' School in the past. That began to happen on 19 June 1978. The mission of the center and the Paratroops' and Special Security Forces' School became one of receiving and accrediting officers, noncommissioned officers, soldiers and the land forces and training them in paratroop and commando activities and air supply, qualifying physical education trainers and also performing any task which might be assigned to the center by the officials."

The Armor School

The final meeting was in the Armor School, whose commander, Staff Col 'Abd-al-Malik 'Abdallah Al al-Shaykh, talked about the origins of the school, what that was like, and the number of people enrolled in it. He said, "The establishment of the Armor School and Center took place in 1956, in the town of al-Ta'if. It was called the Cavalry School at that time. The training there took place in Patton-47 and Patton-41 tanks and M-4 armored vehicles, which have all been taken out of service. The actual courses started with the charter officer's course in 1958. The areas of specialization that existed then consisted of just three courses, the charter officers' course and the tank maintenance and drivers' course. Pursuant to the change in the name of the cavalry to the armor, the name of the school was also changed, to the Armor School.

"In 1973, the school was moved to the Tabuk area, and modern equipment continued to arrive in accordance with the plan to develop the armor. MX-30, M-60A1 Rise, M-D Hot, and AMX-10 personnel carrier tanks, Falcon tanks, and dual anti-aircraft arrived, and training is now taking place in 24 types of courses.

"The Armor School is now one of the most important developed schools in the Saudi Arab Army, in view of its scope and the magnitude of the tasks assigned to it. His highness the second deputy prime minister, minister of defense and aviation and inspector general issued his noble order in 1982 changing the name of the school to the Armor Center and School.

"In reality, the Armor Center and School consists of a miniature integrated military town. Among its most important facilities are the education wings and its numerous sections, the press, the training aids, the maintenance shops for all machinery and equipment, housing for bachelor officers, soldiers and students, housing for married officers and noncommissioned officers, three restaurants, for officers, soldiers and students, three clubs, the officers' club, the club for students and noncommissioned officers, and the families' club, two primary schools, for boys and girls, a kindergarten, a clinic for families and one for soldiers, a central market, a swimming pool, an armor museum, and a library. There also are a number of fields for applied activities inside and outside the center."

One Thing Remains To Be Said

Young Saudis are being invited to accept admission in these military facilities and schools, which will realize their aspirations on the individual, family and national levels in the areas they like, since the areas of specialization are broad and the doors to the military schools are open to every citizen who considers that he has the competence and sincere determination to serve his religion, his king and his nation in the most honorable areas of holy war.

[Statement by Chief of Staff]

I am happy, on this day in which his majesty the supreme commander of the armed forces is doing the honor of attending the inauguration ceremony at King 'Abd-al-'Aziz War College, the parent faculty for academic military education, to express, in the name of the people belonging to the armed forces, my pride in his majesty's participation with us on this occasion and our appreciation of the care our upright government under the leadership of his majesty and his highness his crown prince is devoting to the efforts the armed forces are exerting to build up Moslem Saudi Arab soldiers who are armed with their belief and their faith in their mission and are qualified academically and militarily in a manner which will enable them to handle the modern weapons which have entered into service in our armed forces to support their ability to serve religion and the king and defend the sacred sites of Islam and the territory of the precious nation.

I would also like to thank his highness the second deputy [prime minister], minister of defense and aviation and inspector general and his highness his

deputy, Prince 'Abd-al-Rahman, for their constant followup of the execution of the course of this project and other armed forces projects, and their laudable efforts in reducing all obstacles and providing resources. Their sons the members of the armed forces harbor this commendation and appreciation for them.

I ask almighty God to preserve our leaders for us, honor them with Islam and honor Islam with them, and aid them in proceeding along these firm, proper steps along the road his majesty the founding commander 'Abd-al-'Aziz, may God have mercy on him, whose name this statement is honored to bear, drew up, so that it will be a model for its students in their military positions, command and humaneness.

Vignettes of the Celebration

Foremost among the people receiving His Majesty King Kaht ibn 'Abd-al-'Aziz when he reached the building of the college were His Royal Highness Prince Sultan ibn 'Abd-al-'Aziz, second deputy prime minister, minister of defense and aviation and inspector general, His Royal Highness Prince 'Abd-al-Rahman ibn 'Abd-al-'Aziz, the deputy minister of defense and aviation and deputy inspector general, his excellency the assistant minister of defense and aviation, the chief of the armed forces general staff, the commander of the land forces, the commander of King 'Abd-al-'Aziz War College, the director general of military works, and senior armed forces officers.

The celebration program began with royal greetings, followed by the unveiling of the commemorative plaque. Then his majesty observed the models of the college project, after which his majesty the king and his companions got into cars to take a tour of the college facilities, after which everyone headed for the site of the celebration to continue the program.

The elegant parade which the faculty graduates and students held was given great approval from those in attendance.

The graduates of the 11th class of university officers and the 42nd class of faculty students who had the honor to receive graduation diplomas from his majesty the king expressed their pride at his majesty's oversight of their graduation ceremony.

Retired Maj Gen 'Ali Zayn-al-'Abidin, a former commander of the college, read out a precious poem during the ceremony which received the appreciation of those in attendance.

General Information on the New War College Site

1. The location: 62 kilometers northwest of the city of Riyadh.
2. Total land area: 278 square kilometers.
3. Surrounding the faculty: 65 kilometers of fencing.

4. The college command building.
5. Mosques: eight mosques, including a large mosque that can accommodate 2,000 people in prayer.
6. A museum: this contains the military heritage of his departed majesty King 'Abd-al-'Aziz.
7. Classrooms: 65 integrated classrooms.
8. Lecture halls: six lecture halls.
9. Various laboratories: 29 different language, chemistry and physics laboratories.
10. Various wings: for engineers, signals, vehicles and weapons.
11. A cultural activities hall, with space for 1,000 persons.
12. A library, with space for half a million books.
13. Firing ranges: 10 firing ranges for various light and heavy weapons which contain modern electric equipment for recording locations.
14. An artificial village, for training students in combat in built-up areas.
15. Student housing: three buildings, each accommodating 500 persons.
16. Integrated sports grounds: five soccer fields, six basketball courts, six glider fields, and 20 field hockey fields.
17. Parade grounds with podium for military parades.
18. Swimming pool.
19. Sports stadium with a capacity of 15,000 spectators.
20. Horse training grounds.
21. A family housing area.
22. Boys' and girls' schools: four boys' and girls' schools, from kindergarten to secondary school.
23. Family housing: there are 1,356 houses to lodge married people belonging to the college.
24. Central markets: four central markets.
25. A 37-bed hospital situated between the family housing and students' squadron.

26. Clubs: recreational, for various levels.
27. Bachelors' housing: housing for bachelor officers and civilians at their level, consisting of a small hotel. There also is housing for unmarried non-commissioned officers and soldiers and civilians at their level.
28. Prevailing services: an airport prepared to receive C-130 and Boeing 737 aircraft.
29. A central cooling plant to cool all installations, with a capacity of 55 tons.
30. A slaughterhouse to provide fresh meat for the college by means of an automated slaughterhouse.
31. A water treatment plant to purify water and recycle it for agricultural purposes.
32. A fire fighting unit.
33. Presses.
34. A vehicle maintenance shop.
35. A gas station.
36. Water wells to supply the college in the event of a cutoff of water.
37. A closed circuit television transmission station.
38. A tailor shop.
39. Barbershops.

11887
CSO: 4404/499

VARIOUS WATER PROJECTS, FACILITIES REVIEWED

Riyadh AL-YAMAMAH in Arabic No 801, 2 May 84 pp 14-17

[Article by Samir al-'Umri: "Desalinated Water Will Be Adequate To Meet Riyadh's Needs"]

[Text] Water: a word which has a magic effect in the spirits of us all, because of the special significance it possesses in the kingdom. This is where the importance of this meeting with Mr 'Abdallah al-Musa'id, the deputy minister of Agriculture for water affairs, becomes apparent. In the course of it, we talked with him about the future potable water projects in the kingdom and how it is possible to provide various sources of water for farming to keep up with the development plans the kingdom is going through, in addition to the many other subjects this conversation includes.

[Question] At the beginning of our conversation, I wonder if you would give us an idea about potable water in the kingdom in the future.

[Answer] Citizens who have lived through the development plans in the Kingdom of Saudi Arabia are well aware of the great difference between the past and the future. In a short period the government, represented by the Ministry of Agriculture and Water, has made successive strides to provide drinking water in quality and quantity in the various towns, villages and agricultural settlements of the kingdom. There are areas where water is available, which have been outfitted with tanks, systems, and wells; areas in which there is water, though its quality is poor, and that has been treated by the construction of purification plants and systems in the form of comprehensive projects, such as the al-Washm, Sudayr and al-Quway'iyah projects and some areas of the south in al-Tihamah; in areas where there is no water of any kind, these have been provided with water by the General Desalination Organization. These areas extend along the western and eastern coasts, such as Daba', al-Wajh, Medinah and Jiddah up to Farasan in the far south. Now, thanks to God, there are sincere efforts being made to bring desalinated water to the source of the revelation, Mecca, al-Ta'if and 'Asir. This will be achieved with God's permission soon, and is to be considered the greatest future project serving large heavily populated areas.

[Question] What about the projects that are being carried out now?

[Answer] The most important project being carried out now is the comprehensive Sudayr region project, which includes more than 60 integrated towns and villages and involves purification plants, tanks, transmission lines, roads and all forms of facilities and has made great progress, as well as the piping of water to al-Hufuf and its villages, which is on the verge of being completed and will include 19 wells, transmission lines and pumps.

There also is the construction of water towers in al-Kharj and Buraydah, as well as the constant expansion of systems in the main towns of the kingdom, such as Riyadh, Jiddah, al-Kharj, al-Mujamma'ah, Buraydah, 'Unayzah, al-Rass and al-Bukayriyah, and the transmission of water from Wadi ibn Hashbal to Abha.

The Ministry Does Not Give Guarantees on Water Depletion

[Question] It has been observed that the water in many farms in some areas of the kingdom is almost scarce or on its way to being depleted. What are the reasons for this, in your opinion?

[Answer] There is farming wherever there is water in quality and quantity. The most important paragraph in the statute on the distribution of farmland is the provision of water and its extraction by economic means [in accordance with] the fitness of the soil. In cases beside this, the ministry does not distribute land, unless the land is owned by deed and its owner operates it, in spite of the scarcity of water there; then it is a responsibility.

The ministry does not give guarantees that the water table will not decline. Every aquifer must be subject to decline. The important thing is that this decline be anticipated, and if there are areas which are prone to depletion, they are either on the Arabian Shield [al-dir'], to which people in general know that no strata extend, or they have been drilled in shallow, surface strata which cannot be relied on and consequently have been subjected to decline. However, zones which can be relied on are deeper than that.

A New Source for Agricultural Irrigation

[Question] What about the project to irrigate farms with treated water? How much area will this project cover?

[Answer] The irrigation of farms with treated water is a new source and reserve which was not used until about a year ago. Now, thanks be to God, this dream is being realized, use has started to be made of it in al-Dar'iyah, the first capital of the Saudi state, and Dayrab, and the area has been revived in a manner which has not occurred in its history. These areas are supplied totally from Dayrab and al-Dar'iyah with close to 79,000 cubic meters a day. This is not a small quantity, especially since the holdings available are small. This will be carried out in other areas of the kingdom, when quantities of treated water are made available, and this without a doubt will increase the farmland first of all, save groundwater, and eliminate [the use] of groundwater, which in the past harmed the environment. It has become a source of water for some areas and a new reserve, whereas it once was a source of irritation and harm for the citizens.

The Water Is Adequate To Meet Riyadh's Requirements

[Question] We have heard that after the circular link in the main desalination lines which will distribute water among all the towns is completed, pressure on the available sources of water will be reduced.

[Answer] Yes, the desalinated water, which, thanks be to God, has reached the city of Riyadh, is adequate to meet Riyadh's needs, but its distribution will require the presence of large transmission lines, because they reach Riyadh at a single point of contact and it is difficult to distribute the water in every direction at the same time. Therefore, the ministry has made transmission lines in the form of a closed circle with pump stations and when they are completed water will reach all areas of Riyadh in spite of its difficult topography. When adequate water for the city of Riyadh is obtained from desalinated water, the pressure on the groundwater will be alleviated. Work began last year, but it will be more intensive.

We Are Erecting Dams for Drinking Purposes

[Question] How far have the Ministry of Agriculture's plans regarding drinking water gone?

[Answer] The Ministry of Agriculture and Water has worked and is working continuously, thereby responding to the goals of the citizens and the country. Water systems and tanks have become widespread throughout most of the towns, villages and settlements in the kingdom, and, in areas where there are no systems and tanks because it is not feasible to have water sources, the ministry has provided tank trucks. There is another step which is now to establish dams for drinking purposes; this was done in the town of Abha, which relies totally on water from the dam. Its plans are to expand, construct and modernize lines.

No Destruction in Farms the Ministry has Studied

[Question] What is the ministry's position on farmers whose water has been cut off, and whose farms have been destroyed after their great effort to build up their farms?

[Answer] I do not know any farm which the ministry has studied where that has been the case. As I mentioned above, perhaps the land belongs to the farmer, he farms one third of the land himself, and it does not have enough water, or the water has become scarce. By the way, isn't every activity hedged about by the factor of risk, be that farming, industry or trade? Don't merchants face bankruptcy? Don't banks, which just deal with money, face bankruptcy? Don't large factories decades old with a financial and economic status close? Farming, therefore, is not greater than any of these areas, and I hope that no farmer will face failure, that God will not permit that. A person who does not make mistakes is a person who does not work, and a person who does not fail is a person who does not enter into the arena of life. A student who does not repeat a course is a student who does not go for an examination. If there were a method that was guaranteed against risks, all mankind would pursue it and all other methods would be discontinued. This is the law of life.

160 Dams in the Kingdom

[Question] What about the projects bearing on dams?

[Answer] There are a large number of dams. The number of dams constructed and under construction comes to 167 in various areas of the kingdom.

The ministry has a plan to expand the construction of dams, and there is a number of dams in the process of bid procedures. This undoubtedly has a large role in increasing familiarity with the underground strata, especially in the Southern Province, Ha'il and the Arabian Shield.

There Remains the Role of the Citizen, To Toil and Labor!

[Question] What hopes do you have for the agricultural sector?

[Answer] I believe that what is being achieved is an object of pride for every citizen and I hope that they will continue in this platform, with the use of modern equipment and machinery which will have the effect of raising production competence, saving water and manpower and reducing costs. The government has used every resource to help farmers, and there remains the role of the farmer, to toil and labor to respond to the appeal of the government and nation to meet its basic requirements with some awareness and perspicacity.

Specific Rules on the Use of Water

[Question] What project do you consider you are thinking about which you believe the agricultural community needs?

[Answer] The project I am thinking about which I believe the agricultural community needs is the optimum use of water. This resource is the property of everyone, and I hope that we will be able to make specific rules which will specify water use, so that citizens and farmers will be able to realize its role and importance in all areas. There is no doubt that citizens have started to be aware of its importance, and will examine it closely with time.

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CS0: 4404/499

SHARJAH PLAYS KEY ECONOMIC ROLE

Dubayy KHALEEJ TIMES in English 17 Jun 84 Supplement "Oil and Gas Industries"
p 3

[Text]

IN a region where oil production is talked about in millions of barrels per day Sharjah's contribution would look insignificant. To the emirate itself and to the entire Northern Emirates this contribution provides economic stability.

Sharjah, the third largest emirate in the UAE appears to have achieved a major objective. It is producing condensate at the rate of 55,000 bpd from its onshore gas/condensate field, Saaja. It is no mere coincidence that the operators have been able to meet the target production a month ahead of schedule. This was made possible by the operators AMOCO Sharjah Oil Company who enjoy the full support of

the emirate's government. The speed and efficiency with which AMOCO have moved to develop this precious resource has become a source of inspiration to other oil companies prospecting in neighbouring emirates.

Having secured its onshore find, the Government of Sharjah, always a careful planner, has now turned its attention to developing its depleting offshore resources too. According to reliable reports on exploratory offshore well off the Abu Moosa Island will be spudded this month. And if a discovery is made and offshore production picks up Sharjah would get a bonus for itself.

It is a measure of confidence with which this emirate is now moving towards a phase of industrialisation based on its new found natural wealth. For the past three and a half years Sharjah has carefully studied plans to use its massive natural gas reserves.

After due consideration the emirate has now approved the setting up of a Liquefied Petroleum Gas (LPG) plant to make use of the rich natural gas being brought up from the deep wells on the Sajaa field. The LPG plant scheduled to come on stream in about two years is already assured of success with most of its production already committed to buyers on long term contracts.

Two other projects are reported to be under consideration — a fertiliser plant and a methanol plant. Both projects are being studied and a decision is expected by year end.

CSO: 4400/276

REVIVAL OF CONSTRUCTION SECTOR

Dubayy KHALEEF TIMES in English 14 Jun 84 p 15

[Text]

AFTER two years of relative inactivity, Dubai's construction sector is well on the way to a revival. A Dubai chamber of commerce study on the emirate's construction business, released yesterday, showed that projects initiated by the municipality and local government played a "significant role" in the reactivating this sector of the economy.

It revealed that allocations for municipal projects witnessed a marked increase between 1980 and 1983 taking the total funds spent on these to Dh 1.479 billion. Simultaneously, projects costing Dh 388.52 million were transferred to the civic body for execution in 1982-83. Also, Dh 339.17 million was set apart for housing schemes and property compensation between 1980-83. Construction activity during this period was mainly in housing, shopping centres and roads in addition to a number of medium-sized schemes initiated by the municipality for extension and maintenance.

Total allocations for infrastructure projects during the three-year period amounted to Dh 1.582 billion. The

biggest share of this, 71.2 per cent, went into the construction of roads, bridges and tunnels while 18.1 per cent was taken up by hospitals and medical services and another 10.7 per cent by ports and harbours. Part of the allocations was utilised for development of existing facilities.

The low income group housing scheme initiated by His Highness Shaikh Rashid bin Saeed Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, in 1980 also gave a fillip to the construction industry which was stagnating towards the end of the last decade.

The chamber study showed that 1,095 housing units were built during the two years from 1980 providing work for many small and medium-sized building firms.

The study, however, showed that of a total of Dh 250 million set apart in the municipal budgets for 1982 and 1983 for the housing scheme, only Dh 17.45 million was utilised.

Larger firms benefited from municipal projects with a bigger outlay such as drainage systems, roads and shopping areas as well as from an upsurge in property development by private landlords during the last two years.

The chamber noted that a decline in

the price of land and building materials during this period was also a "positive element" in the revival of construction business.

Meanwhile, bank credit for construction in Dubai grew at annual average of 33.3 per cent between 1975 and 1983—from Dh. 1.408 billion to Dh. 5.163 billion. This represented 15.7 per cent of total bank credit in the emirate in 1975 and 21.3 per cent at the end of last year.

The study said three distinct phases could be discerned in the development of the emirate's construction business. The first phase was initiated in the sixties when a plan for development of Dubai was drawn up by an international town planning firm and approved by the Dubai municipality.

The second phase—from 1968 to 1979—was characterised by intensive government spending totalling Dh 20 billion, mainly on infrastructure schemes. This led to a spurt in new construction and engineering firms as well as increased trading, transport and banking activities.

The third phase, from 1980 to 1983, was marked by a moderate expansion in public spending as a result of the completion of major infrastructure schemes. But "although the magnitude of government and private investment in construction projects is

CONTRACTING COMPANIES LICENCED DURING THE PERIOD 1975 - 1983									
	1975	1976	1977	1978	1979	1980	1981	1982	1983
Engineering & Const. Co.	28	34	80	14	4	12	20	3	10
Electrical Engineering	2	—	—	—	—	—	—	—	—
Const. Machinery Maintenance	1	3	—	—	—	—	—	—	—
Construction Companies	—	—	—	2	—	—	—	—	—

Source: Compiled from Dubai Municipality figures.

below the trend in the previous phase, there still exists enough scope for competitive construction and engineering companies."

National construction and engineering firms which were mainly acting as sub-contractors to giant foreign firms in the second phase are now wholly engaged in new projects as well as maintenance schemes initiated both by the government and the private sector, the study noted.

DUBAI BANK CREDIT GROWTH TO CONSTRUCTION SECTOR 1975 - 1983 END OF DEC.									
	VALUE MILLION DHS.								
	1975	1976	1977	1978	1979	1980	1981	1982	1983
Const. of Buildings	486.6	1175.7	2134.8	2441.9	2770.3	3343.8	5700.9	3738.4	3841.7
Other Construction	182.4	233.1	820.7	1046.2	839.9	728.9	912.3	1031.2	1322.0
Total Construction Credit	649.0	1408.8	2955.5	3488.1	3610.2	4072.7	6613.2	4769.6	5163.7
Total Dubai Bank Credit	4108.8	7971.7	11923.5	14359.1	15632.1	18233.6	21027.8	23642.9	24151.4
Total Const. Share	15.79%	17.67%	24.79%	24.29%	23.10%	22.34%	21.94%	20.17%	21.38%
Construction of Buildings	11.84%	14.75%	17.90%	17.01%	17.72%	18.38%	17.60%	15.81%	15.91%
Other Constructions	3.95%	2.92%	6.88%	7.29%	5.37%	4.00%	4.34%	4.36%	5.47%

CSO: 4400/276

OIL SEARCH IN NORTH GATHERS MOMENTUM

Dubayy KHALEEJ TIMES in English 17 Jun 84 Supplement "Oil and Gas Industries" p 3

[Article by Arun Solomon]

[Text]

RAS AL KHAIMAH has now become the youngest member of the group of oil producing emirates in the United Arab Emirates. It began production from its offshore Saleh field in January this year. For the emirate it is a remarkable achievement, not just finding oil but to begin producing in just 11 months after the discovery was announced.

The discovery was announced in February 1983 when the operators Gulf Offshore Ras al Khaimah Ltd., a wholly owned subsidiary of the Gulf Oil Corporation, reported that the discovery well Saleh I-X has struck oil. Initial flow from the well was reported to be 5,852 barrels of oil of 45.5 degree API and 27.51 million cubic feet of gas daily.

It was in January this year that the production from the field with the early recovery system was formally inaugurated. The ceremonies were presided over by His Highness Sheikh Saqr bin Mohammed Al Qassimi, Member of the Supreme Council and Ruler of Ras al Khaimah.

The Government of Ras al Khaimah had been in fact preparing for the day when it would become an oil producer. The Ras al Khaimah National Oil Company was formed as far back as 1979.

The 100 per cent government owned company was established for the development of hydrocarbon reserves in the emirate.

The national company in 1983 acquired a 50 per cent interest in the offshore concession. The operators of the field are Gulf Offshore Ras al Khaimah Petroleum Ltd (GRAK) a wholly owned subsidiary of Gulf Oil Corporation. The concession is now held by Ras al Khaimah National Oil Company: 50 per cent, GRAK: 25.23 per cent; International Petroleum Ltd: 8.66 per cent; Overseas Petroleum Investment Corporation: 10.61 per cent and Wintershall A.G.: 5.5 per cent.

Even while the development of the offshore field is continuing, the emirate is moving ahead with its plans for further search for oil. On Sunday, May 6, 1984, the onshore well Jazirat I-X was spudded, in the concession jointly held by Gulf Oil Corporation and AMOCO International Oil Company.

Meanwhile, on the offshore field Saleh the second well has been reported to have come on stream with an initial production of 3,500 barrels of oil per day. The third well Saleh 3-X is currently being drilled and when it is completed the Saleh Field 3-Well Early Produc-

tion system will become fully operational. Exports are scheduled for later this year.

In a recent interview Sheikh Khaled bin Saqr Al Qassimi, Crown Prince and Deputy Ruler of Ras al Khaimah said that the emirate's oil production in the first phase is targeted at 50,000 barrels per day. He disclosed that a number of wells are being drilled both offshore and onshore by oil companies operating in the emirate. Plans for the development of the Al Holailah island as an oil terminal were also said to be underway.

AJMAN

AJMAN too has been exploring for hydrocarbon reserves for the last two years. It has now formed the Ajman National Oil Company to look after the interests of

exploration and other subsidiary functions. To date two wells have been drilled onshore in the emirate in the Hamidiyah area and a third appraisal well was reported to be spudded shortly. The first wells are claimed to have indicated presence of hydrocarbon reserves and the results were now being evaluated.

FUJEIRAH

IN February this year Fujeirah granted the first oil concession in recent times to the North South Resources of the Adolf Lundin group. A second concession was awarded to the Australian company Meridien Oil in May. Both companies are expected to conduct seismic surveys shortly and depending on the results will decide on drilling prospects.

CSO: 4400/276

EXPLORATION EXPANSION STRESSED

Dubayy KHALEEJ TIMES in English 17 Jun 84 Supplement "Oil and Gas Industries" p1,3

[Text] EMPHASIS in the UAE's oil industry is now placed on expanding exploration and indentifying and assessing new reservoirs of oil and gas.

This should not imply that current reserves are inadequate to sustain present production levels or that it is intended to increase production levels upon making new oil and gas strikes. On the contrary, the country is known to have a sustainable production capacity of over 2.5 million barrels per day (bpd), although its output is held down to 1.1 bpd in accordance with the OPEC quota allocated last March.

Reserves too are impressive, estimated at 31.9 billion barrels of oil and 2.52 billion cubic meters of gas, according to the Central Bank report of 1983.

Still, exploration and the identification and assessing of new reservoirs will continue because it is the official policy that a more accurate knowledge of the country's oil and gas reserves will enable government to plan the country's future more comprehensively.

Last year the Emirate of Abu Dhabi continued the development of the upper Zakum field and started actual extraction from it in May 1983 at a quantity which went up to 100,000 bpd. It is known that the cost of developing this field exceeded the US \$5.5 billion. The field's production capacity is expected to reach 500,000 bpd. In the first half of the current year Banduq field, after required maintenance, is expected to produce around 10,000 bpd. The field is equally shared by the Emirate of Abu Dhabi and the State of Qatar.

The Emirate of Dubai granted seven new concessions for oil exploration on-shore and off-shore between late 1982 and up to the end of 1983. In the current year it is estimated that the Margham field will have an output of 25,000 bpd of condensates.

The emirate of Sharjah continues utilising its exploration of Al Saj'a field, while Ras al Khaimah is endeavouring to increase production from Saleh field up to 20,000 bpd. In Ajman, a national oil company has been formed in order to control all activities related to oil in the Emirate. Experiments are being carried out to ascertain the existence of oil.

Gas output in 1983 declined due to the decrease of oil production.

For instance, the output of the gas liquefaction plant at Ruwais, one of three similar plants in the UAE, fell to 2.2 million metric tons, during the first eight months of 1983, though it has an actual capacity of 4.8 million metric tons. The Abu Dhabi National Oil Company (ADNOC) is attempting to produce non-associated gas from the Umm Shaif offshore field which will probably produce around 250 million cubic feet of dry gas. Such dry gas could be utilised to increase supplies to the gas liquefaction plant in Das Island, which belongs to the Abu Dhabi Gas liquefaction company. Dubai and Sharjah Emirates are endeavouring to increase their gas production of all kinds and expand its use locally. It was expected that the natural gas prices should drop following the decline in oil prices in March 1983. The price of gas by-products have shown slight consecutive rises in the middle of last year but declined in October to levels lower than those of 1982.

Since the beginning of 1981 when the international oil market deteriorated, economic problems intensified in the oil exporting countries which constitute this group. As a result of the increasing energy-saving and oil-stocking policies adopted by the main oil consumer industrial countries, the decline in the international demand for oil accelerated at the beginning of 1983, which fact induced OPEC in March to reduce the official price indicator at a time when spot prices were also declining. Before oil [word indistinct] stabilised during the second half of the year under the effect of economic recovery in the industrial countries.

The joint Arab Economic Report for 1982 states that demand for energy is affected by economic growth and energy conservation measures. In addition the industrial countries tend to influence the oil market by increasing or decreasing their oil stocks and by developing alternative sources of energy. (The latter, however, may be affected by the price of oil products, since the price of crude oil is only one of the factors which affect consumer prices.) The industrial countries exert some control on the oil market through measures taken by national bodies, or agreed upon within collective framework such as the International Energy Agency and the EEC and their annual summit meetings. The most important of these measures are: the imposition of local taxes on petroleum products; establishment of a large oil reserve; the encouragement of research and undertakings for the development of alternatives to oil; and energy conservation measures.

The real increases in the price of oil since 1973 were associated with real increases in the amount of tax on oil products so that the tax exceeded the price paid for crude oil for all years except 1980. The continued increases in the tax and the decline in the price of imported crude oil will once again raise the amount of tax above the price paid for crude oil. This policy enables the industrial countries to lessen the impact of a drop in the price of crude oil on the demand and development of alternatives for oil. Another factor which had a significant and immediate effect on oil markets was the fluctuation in oil stocks.

Expenditure on the development of oil substitutes is increasing. It amounted to US \$8.4 billion dollars in 1980; i.e., four times the amount allocated for this purpose in the industrial countries in 1974. In addition, the industrial countries resort to joint projects so as to share the risks and better utilise their expertise. The cost, up to 1980, of such projects which were sponsored by the International Energy Agency, amounted to more than US\$700 million dollars.

As for conservation efforts, estimates indicate savings of seven million bpd during the period 1973-78. This may have subsequently reached over 10 million bpd and possibly increased even further.

The importance of the energy issue in the Arab world derives from the area's hydrocarbon reserves and the role which the existence of these resources has had on life in the Arab world. Further, oil plays a dynamic and special role in the world in general, and the Arab world in particular, with special emphasis on the Arab oil-exporting countries.

The world's interest in Arab oil stems from its primary as a commercial energy source. Oil and natural gas constituted 63 per cent of the world's total consumption of energy in 1980 (44 per cent for oil, and 19 per cent for natural gas). The Arab world produced 30 per cent of the world's output of oil and 10 per cent of natural gas output in 1981. In addition, 51 per cent and 15 per cent of the confirmed world reserves of oil and natural gas are in Arab countries, with expectations for significant increases in these reserves as a result of further exploration. Oil Reserves are a determining factor in various aspects of Arab life in general, and are the source for financing consumption activities and development plans.

Oil and natural gas comprised 92.6 per cent of total commercial energy consumption in the Arab world in 1980. Total consumption of oil and gas was the equivalent of around 2.2 million bpd. Oil and natural gas are also used as raw materials for oil related industries, such as oil-refining, gas liquefaction and petrochemicals.

Oil is a major source of income to more than 64 per cent of the Arab world's population, and also represents an important indirect source of income for the remaining 36 per cent. In 1980, the value of oil exports amounted to more than 62 per cent of the total GDP of Arab countries. This proportion varies widely among Arab oil countries forming nearly the only source of income for some. In 1981, oil revenues for all the Arab countries amounted to US\$197 billion, and the value of oil exports was US\$204 billion; i.e., 93 per cent of total Arab exports. This was 97 per cent for the Arab countries in OPEC and 96 per cent for OEAPEC members. Clearly, therefore, Arab oil exports constitute the main source of foreign exchange in the oil countries.

The non-oil Arab countries also reap benefits from oil. Official aid is provided by oil countries through national or regional organisations, the capital of which is contributed mainly by the oil countries. Additional benefits are in the form of direct investment and joint Arab projects.

The year 1981 was marked by a decline in the world's oil production in general, and in Arab countries' output in particular. Arab oil reserves maintained their levels of 1980, while estimates of world reserves increased by 22 billion barrels, more than half of which was in Mexico. Exploration activities increased especially in North and South America, but maintained their 1980 level in Arab countries.

Exploration activity in the Arab world increased by 51 per cent during the past five years. It declined in 1979, but went up during 1980 and 1981.

Nevertheless, this increase is low compared to the United States and other countries. For example, only 1,119 exploratory and developmental wells were drilled in OAPC countries in 1981, while a developing country such as Brazil plans to drill 1,781 wells. As a result of this exploratory drilling activity in Arab countries thirty-seven finds were made in 1984, four of these in the UAE, two in Qatar, one of Kuwait, seven in Libya and twenty-three in Egypt. There had also been some finds in Tunisia and Morocco. Thus, it is important that efforts to raise the level of oil reserves be intensified. This pursuit is also essential in order to acquire the necessary skills and advanced technology and to develop a national cadre.

So far the new source of energy, both depletable and non-depletable, have had no significant effect on commercial utilisation of energy. As for synthetic fuels, only two refineries for tar sands have come on line in Canada. Energy sources of this kind are still at the research, experimentation, evaluation and pilot study stage. In addition, there are certain technical, economic, environmental and social obstacles to be overcome.

The new source of energy are of two main kinds: the first are depletable sources such as oil shale, tar sands, gas and synthetic fuel which is extracted from coal. The second are non-depletable sources with limited potential such as the wind, tidal, oceanic temperature differentials and geothermal energy on the one hand, and non-depletable sources with unlimited potential such as solar energy, hydrogen and nuclear fusion, on the other.

CSO: 4400/276

TRADERS CONFIDENT OF UPTURN

Dubayy KHALEEJ TIMES in English 13 Jun 84 Supplement, "Textiles" p 1

[Excerpts]

BUSINESSMEN involved in the textile trade in Dubai are confident their business will flourish although there might be some seasonal ups and downs in the market.

They said that 1983 had been much better than 1982, adding that 1981 had been very good in terms of trade. The way 1984 is going, with imports so far amounting to about 60 per cent of the total imports last year, it seems it will just maintain the level of 1983.

The reasons for 1984 not being very promising are the fluctuation in prices, yen exchange rate, and the higher import costs. With these factors, the local market prices should have gone up, but they have not because of over stocks. Over stocks were caused as a result of overtrade in 1983. People had imported more during that year and there were many new comers to the trade expecting good business. On the contrary this affected profitability as there were more businessmen while consumption remained the same.

According to figures available from Dubai Customs Department, imports of all kinds of textiles in 1983 were more than those in 1982.

Woven fabrics imports in 1983 amounted to 60,150 kg valued at Dh 2,433,966 with major suppliers being Britain, West Ger-

many and Pakistan. In 1982, 32,672 kg valued at Dh 1,180,566 were imported.

Imports of synthetic fabrics and regenerated artificial fabrics in 1983 were 43,921,981 kg worth Dh 1,557,938,350. These imports came from 38 sources. Major suppliers were Japan with 25,152,507 kg worth Dh 1,004,056,879, and China, Taiwan, South Korea, Thailand, Indonesia and Pakistan. In 1982, imports amounted to 27,457,550 kg worth Dh 1,056,087,063.

Imports of linen fabrics in 1983 were 7,291 kg worth Dh 230,546 and in 1982 5909 kg worth Dh 58,652.

Imports of woollen fabrics in 1983 were 154,475 kg valued at Dh 11,114,613. Britain topped the list followed by Japan. In 1982, they amounted to 91,008 kg worth Dh 6,580,826.

Imports of silk fabrics in 1983 were 86,693 kg worth Dh 21,000,507. Major suppliers were China, Japan and Pakistan. In 1982, 65,143 kg worth Dh 12,384,465 were imported.

According to Mr Ram Buxani, general manager of Cosmos, subsidiary of International Traders (M.E.) Ltd, there are many reasons for the textile trade to flourish. ITL was set up 1953 in Dubai with textile being the prime business which is still so. During these 30 years textiles turnover has increased by around 3,000

times.

Explaining the reasons, Mr Ram Buxani said, about 70 to 80 per cent of the population of UAE is expatriate and this pattern is not going to change suddenly. These expatriates travel at least once a year to their home countries, and everyday about 4,000 people travel from Dubai alone. If each person carries atleast 20 yards of cloth it comes to 80,000 yards a day or three million yards a year.

Average per capita consumption of cloth is 30 yards per year.

In addition, when they go home they carry presents for their friends and relatives although these items are available there. The textile industry in these countries need some time to come up to the standards of Japan. So such imports into these countries will continue.

He said Iran is a big market. It has no textile industry of its own and Dubai is geographically the best located place for Iran to buy. That market is now disturbed due to various factors, but whenever things improve, Dubai will be the main beneficiary. In the meantime, Dubai has tried to lessen the reliance on Iran market. Earlier, textile trade was mostly in the hands of Iranis, now people from other countries, specially India and Pakistan, have entered the trade in a big way. Earlier, items were imported mostly keeping Iran market in mind, now the variety is changing.

Mr Vashu S. Shroff partner of Regal Traders, suggested that the government should issue transit visas more freely, and not restrict them to the businessmen, so that the retail trade in Dubai gets a boom.

He said prices had fallen because the manufacturers had cut prices and there were some over imports. "It is a matter of demand and supply, now demand has fallen because of less population", he said.

He said there were more imports during 1983 because of higher re-exports to Saudi Arabia and Africa. In addition Iran had liberalised its imports policy which helped textile trade here, but since April this year the liberal import scheme has been stopped. This has affected the trade here and prices have gone down.

The reason for a number of textile shops closing down in Dubai was the higher level of rents last year, low business, overheads, a 50 per cent fall in retail sales, and the affect on business due to opening of new shops.

Banks have become alert in granting facilities to new parties, and Mr Vashu welcomed this step as it is good for the trade. The banks have maintained their credit policy for the old and established textile traders, but they still check the auditors report or seek a guarantee by a good reference.

He suggested that reduction sale should be allowed by the municipality twice a year, as in Bahrain, and not just once a year. He said this will help in disposing off old stocks and improving liquidity and will provide relief for both the customers and the businessmen.

He said the increase in import duty to four per cent last year had not affected the trade.

Another major textile businessman, who preferred to remain anonymous, did not agree that the local market is dull. He said so many new wholesalers and retailers opened their businesses last year, and even people came here from Bangkok to sell textiles on credit. This, he said, shows that the demand has been good. But opening of too many shops is not good as it affects business, he added.

The UAE has a strong character as an entrepot trade centre for other Middle East countries, Africa and India, and is a market with a large demand capacity. Therefore, the magazine suggested, if a price agreement can be reached voluminous exports of Japanese polyester fabrics can be expected. Unless, the general condition of polyester fabric exports improve, Japanese traders consider that contracts for exports to the UAE are likely to increase.

While Japanese export contracts for high value added polyester filament fabrics continued to be dull in general, basic items were growing favourably centring around exports to Middle East.

The main market for readymade garments in Dubai is Murshid Bazaar which not only looks after the wholesale requirements of the local market, but also caters to the needs of other Gulf states. Majority of the items come from Hong Kong, Philippines, Korea, Japan, and Taiwan. Higher priced garments are from Britain, United States, Italy, France and other western countries.

According to traders, the market has been dull since 1978 because of the situation in Iran. Imports are dependent on local consumption and to make good sales the items have to be exclu-

sive. Prices of readymades have also come down—one reason for this being the less holding power of the traders due to increased bank pressure for repayment of credits.

Traders said the readymade garments market may not improve but it will certainly not go worst than what it is today. Retail business has also gone down and Eid shopping has not yet picked up, they said.

One textile trader, who requested not to be named, pointed out three major causes for what he called the 'sickness' of the textile business. They are:

1. Long term credits extended by the wholesalers to the retailers.
2. Many new entrants in the textiles business leading to over trade.
3. Decrease in population.

He said although Ramadan Eid was a couple of weeks away, Eid shopping had not yet picked up. On a longer term basis, he said unless foreign ports like India, Pakistan and Iran opened up further, there was no hope of improvement in the business climate here. He did not expect any relaxation by these countries in the near future. He said Dubai's trade was too much dependent on the Iran market.

He was of the view that imports during the current year would maintain last year's level, firstly because the bank facility has to be utilised by the importers, and secondly, although there was not much profit in local sales, businessmen from Saudi Arabia, Qatar and Oman preferred to buy from Dubai because ready stocks were available here. If they imported from Japan it would take three months for the goods to arrive in their countries.

BRIEFS

ALLEVIATION OF BUDGET DEFICIT--Abu Dhabi: Leaders of the seven Emirates forming the United Arab Emirates have agreed at a meeting to each pay 50% of their petroleum revenues to finance the Federal budget. The Supreme Federal Council of the UAE met on Sunday night under the chairmanship of UAE President and Ruler of Abu Dhabi Sheikh Zayed bin Sultan al-Nahayan. The leaders of Abu Dhabi, Dubai, Sharjah, Ras al-Khaimah, Ajman, Fujairah and Umm al Quwain stressed their support for all efforts to end the 45-month-old Iraq-Iran war, Minister of State for Supreme Council Affairs Abdulaziz bin Hamid al-Qassimi said after the session. The council reconfirmed an earlier decision that Abu Dhabi and Dubai would each pay 50% oil revenues into the Federal budget. The other five emirates agreed to abide by the decision. This is expected to clear the way for the declaration of the federal budget for 1984 which should have been announced in January. The council also decided that in future the budget should not be delayed as had happened in the past two years. Observers noted that the decision of the five smaller emirates to help finance the budget should alleviate the potential budget deficit and thus boost economic activity in the UAE. The council also decided to pay off debt arrears totalling about Dh2bn (\$545m) owed to companies and people. This is also expected to help the UAE economy. [Text] [Doha DAILY GULF TIMES in English 12 Jun 84 pp 11]

CSO: 4400/276

COMMENTARY ON AGREEMENT ON OIL WITH SOVIET UNION

Kathmandu THE RISING NEPAL in English 2 Jun 84 p 2

[Commentary]

[Text]

The contractual agreement signed between the Nepal Oil Corporation and the Soyuzneft-export of the Soviet Union will ensure the smooth flow of POL products in to Nepal and thereby help in the regular supply of these essential products in Nepal. Under the agreement signed in Moscow the other day, the Soviet company will supply to Nepal Oil Corporation 80 thousand tonnes of diesel and 20 to 40 thousand tonnes of kerosene oil in a 15-month period beginning from September this year. A Nepalese delegation led by the Supplies Secretary, Mr. Santa Bahadur Rai, and comprising the Executive Chairman of the Nepal Oil Corporation had visited the Soviet Union for the purpose. The Soviet Union has been supplying Nepal with diesel oil for a number of years now but as far as kerosene is concerned, Nepal is buying this item from the Soviet Union after a long gap. The whole deal is valued at about US dollars forty million and the products are being bought at international prices. This deal combined with others for the purchase of petrol, lubricants, aviation fuel and others makes the import bill of the POL products the single largest item in Nepal's imports from foreign countries. But this in an area where there can be no import substitution for the foreseeable future. Thus, the country needs to be grateful to those supplying Nepal regularly with various petroleum products. In this regard, the Soviet Union as a regular

supplier of POL products to Nepal has been rendering useful cooperation.

But looking at the oil import bills, there is little doubt about the need to cut down on the consumption of POL products as far as possible. That consumption of these products can be cut down if each individual and organisation seriously plan their use is borne out by the fact that the consumption of petrol, in fact, fell in Nepal due to rise in price some years ago. A better planned use of vehicles and machines which use POL can still reduce consumption of these items resulting in savings for the country. This apart, the time has arrived for the Nepalese to seek alternative source of energy. Where, for instance, solar energy will do, why opt for other more expensive sources. Such alternative locally available sources, barring fuel wood, could be explored by individuals, organisations as well as local panchayats. A reliable alternative will definitely reduce the country's oil bills. Moreover, efforts have to be made for striking oil in the country itself. In the recent past, there were reports tending to encourage the possibility of oil finds in the country. Indeed, an IDA assistance has already been approved for preliminary oil prospecting in selected areas. But this is still a long term measure. Hence, in Nepal, the main problem is to reduce the consumption of imported oil on the one hand and to find non-oil non-fuel wood sources of energy to reduce oil imports and to save the country's dwindling forest resources on the other.

CSO: 4600/630

NEPAL-INDIA TALKS TERMED 'FRUITFUL'

Kathmandu THE RISING NEPAL in English 11 Jun 84 p 2

[Text]

PIA's (Pakistan International Airlines) freighter service, the first air cargo service between Nepal and Pakistan, arrived at the Tribhuvan International Airport from Karachi Thursday with a cargo of about 32 tons of equipment to be used for the Kulekhani II Hydroelectric Project.

The equipment, dispatched from Japan by the New Japan Air Service Co Ltd., were carried by the PIA from Karachi.

Under an agreement with Royal Nepal Airlines, PIA has been operating passenger service since April last year. The agreement also provides for commercial services by Royal Nepal Airlines to Karachi and through there to Dubai.

Asked why the introduction of freighter service was delayed when the airlines introduced passenger's service over a year ago, PIA's General Manager for Cargo Sales and Service, Mr. F.R. Khan, said that the airlines took time to "build up loads" and other arrangements.

Since the freighter

service has to be a "both way trade", time was taken for building loads.

Mr Khan also said that the Boeing 707 freighter aircraft will return to Karachi Friday (today) with a full load of over 34 tons of Nepalese cargo bound for Europe and the United States.

He said that the PIA will speedily dispatch consignments of Nepalese carpets, leather, garments and textiles to their respective destinations from Karachi.

He also disclosed that the airlines had offered to Nepalese authorities to explore market for Nepalese goats and sheep.

"We are experts in carrying livestock", he said.

According to Mr Khan, Pakistan's food exporters were keen in exporting Pakistani products to Nepal. In fact, the Food Exporters' Association of Pakistan had sent a few samples of mangoes to be sold in the Nepalese market. The samples of the fruit have been distributed among local traders for their comments.

According to Mr Minoru Nakamura, Assistant General Manager of New Japan Air Service Co Ltd. who was at the airport to receive the equipment, for a country like Nepal without its own sea ports air cargo service had a great role to play.

The bulk of high value, low weight cargo could be ferried by air since this will save time, he said.

Asked about the frequency of freighter service, Mr Khan said initially the carrier would have fortnightly flights. But, he added, the number of cargo flights depended on the requirement. "We are here to cater to the needs", he added.

According to a PIA news release, the airlines was keen to develop and improve its operation and scope. "The experimental freighter service is a step in that direction", it added.

It said besides providing an additional export potential for Pakistani traders it could also offer lucrative opportunities for exports to Nepalese businessmen.

CSO: 4600/630

ECONOMY SAID TO HAVE 'TAKEN NEW SHAPE'

Kathmandu THE RISING NEPAL in English 3 Jun 84 pp 1, 6

[Text]

The economy of the country has taken a completely new shape from that of the last year while marching ahead on the road of set objective of the country's economic development.

This is made clear by economic indicators of the first nine months of the current fiscal year, according to the spokesman of the Finance Ministry.

Export is expected to rise to Rs. 166 crores in the current fiscal year as against 111.29 crores the last fiscal year.

Out of the total export trade, overseas export is expected to be worth Rs. 50 crores this year as against Rs. 28.3 crores of last year.

Trade deficit was low in the first nine months of the current fiscal year even after taking into account imports of Rs. 55 crores out of the permits issued in last year, statistics have revealed.

Considerable improvement is expected in trade deficit in the current fiscal year as compared to the last fiscal year when the deficit of Rs. 510.1 crores, the highest in the history of

the country's foreign trade, was recorded.

Price rise is expected to be limited to one percent to three percent this year as against 14.2 per cent recorded last fiscal year, it is also stated.

Clear indications have also been available that gross domestic product will record a growth by 6.5 per cent to 7.5 per cent by the end of the current fiscal year at the constant price level of the fiscal year 1973-74.

This is a remarkable achievement on the economic front recorded in any fiscal year since the country embarked on the road to planned development.

Nearly 25 per cent rise has been recorded in food-grains production this year as against last year. Total cash crops is feared to decline this year in view of the fall in jute and sugarcane production, notwithstanding the increase in production of tobacco potato.

Yet total agricultural production is expected to be up by 10.5 per cent, while it is estimated that total industrial production will

excel the growth rate, of 18.8 per cent of last year, according to available statistics.

Adequate improvements have been made in the deposit of commercial banks, thus ensuring a sound financial basis to the banks in the current fiscal year.

While the policy of decentralisation has been adopted in issuing import licenses, unnecessary imports have been thoroughly discouraged.

Overseas import licenses to the tune of Rs. 23.86 crores have been distributed in the commercial sector in the current fiscal year as against that of Rs. 92.20 crores in the corresponding period last year.

While foreign exchange reserve had declined by Rs. 49 crores following deficit of Rs. 153 crores in the current account of balance of payments in the last fiscal year, adequate improvements have been effected in the deficit of current account in the current fiscal year, and total foreign exchange reserve is expected to rise marginally.

Total foreign exchange reserve has increased by Rs. 19 crores, thus improving the situation obtaining in the month of Asar in last fiscal year.

On industrial and agricultural investment, the Nepal Industrial Develop-

ment Corporation and Agricultural Development Bank have made investments of Rs. 4.48 crores and 31.86 crores respectively in the first nine months of the current fiscal year.

A comparison with the last fiscal year shows that industrial investment has gone up by 76 crores and agriculture investments by 8.91 crores this year.

Money flow is expected to be limited to 12 per cent as against the target of 10 per cent this year though the same was recorded at 20.4 per cent in the last fiscal year.

HMG remains committed to take internal loan amounting to Rs. 64 crores from the banking sector this year. In the last fiscal year HMG had taken internal loan totalling Rs. 202.81 crore rupees.

The challenge in the forthcoming fiscal year will therefore be to take the economy toward a specified direction, while providing stability to achievements whatever recorded in the current fiscal year.

This calls for checking unnecessary expenditure by following the principles of austerity and exercising restraints by HMG itself on the one hand and, on the other resolute pursuance of the economic policy adopted by the present government.

(RSS)

SUPPORT FOR ZONE OF PEACE PROPOSAL SAIL GROWING

Kathmandu THE RISING NEPAL in English 14 Jun 84 p 2

[Editorial: "Growing Support"]

[Text]

The Government of the Somali Democratic Republic has recently communicated its support for His Majesty the King's Zone of Peace proposal, becoming the forty first country to endorse it. Though this support may not perse be very significant, it is important in that it clearly underlines the encouraging support that the peace proposal is mustering abroad. As much is also indicated by the support from the United States, Brueni and the Bahamas since December last year, and the advance in the position of Britain which in 1980 had only endorsed it, in principle.

The ~~Somalian~~ support is encouraging for another reason. This pertains to the fact that it is among the few African states that have done so. This suggests the exciting possibility that the other African states which have yet to do so—and this includes the overwhelming majority of the more than forty African states—will follow the ~~Somalian~~, Libyan, Egyptian, Sudanese, Nigerian and the Kenyan examples in this respect.

While this also points to the fact that greater attention needs now to be paid to African states than has perhaps been done in the past, it may be well for us to concentrate our diplomatic drive in Africa with nations, such as Kenya and Somalia, which are coastal states of the Indian Ocean. After all, if Indian Ocean states fervently—and rightly — support the

idea of the Indian Ocean as a Zone of Peace, it should not require too much effort to convince other such countries of the rationale and legitimacy of our own Zone of Peace proposal. As we know this seeks, basically, nothing more than institutionalising an environment of peace in Nepal, thereby creating not only an appropriate climate for much needed economic development but also making a small, but important, contribution to regional peace, given Nepal's undisputed geo-strategic location.

In the general context of the growing support for His Majesty the King's Zone of Peace proposal, it is also encouraging to note that there is now a ground-swell of support at the popular level in Nepal for the idea of accelerating foreign endorsement for the peace proposition. The recent constitution of a committee of journalists to enhance further public consciousness of the need for the realisation of the concept, both at home and abroad, is a notable example in this context. It can now be definitely visualised that with the collective efforts of the Nepalese people, both at the official as well as the popular level, this timely and far-reaching foreign policy objective of Nepal will be fully achieved in the not too distant future.

CSO: 4600/631

OVERSEAS INVESTORS' RESPONSE SAID 'HEARTENING'

Kathmandu THE RISING NEPAL in English 6 Jun 84 p 3

[Text]

Over 76 Nepali entrepreneurs met and discussed new investment opportunities, partnerships and joint ventures in Nepal with 49 representative of international firms from 16 countries at the first Investment Promotion Meeting that began Monday in Kathmandu. The Meeting is to continue till Thursday.

The first Investment Promotion Meeting to encourage the growth of private industry and to enable investors from abroad to learn more about business prospects in Nepal was jointly organised by His Majesty's Government and the United Nations Industrial Development Organisation (UNIDO). This first Meeting comes after preliminary preparation which began three years ago. It had earlier been postponed twice for want of adequate projects to be put before foreign investors. According to UNIDO, that assisted in the preparation

of project profiles, there are now more than 51 projects that offer investment opportunities of over US \$10 to 140 million dollars. The total expenses for organising this Investment Promotion Meeting, solely paid through UNIDO funds came to about US \$90,000 dollar. UNIDO, through its 8 investment Promotion Offices, (6 in Europe, 1 in Japan and 1 in New York) sent out about 10,000 invitations to prospective investors. The response has been as expected (about 5%) and will have long term implications for the future, a UNIDO official explained.

Among those who responded, Mr Christian Rouchier, Director of Danieli UK., and Mr Fulvio Fasano, Director of Danieli & Co., Italy, the parent holding company of Danieli UK, showed remarkable interest in setting up a mini-steel plant in Nepal in collaboration with Himal Iron and Steel (P) Ltd. The Himal Iron and Steel

company here, that supplies reinforcement bars and rods for construction projects, was established 20 years ago. If successfully negotiated, the joint venture with Danieli & Co., would enable them to expand vertically and thereby produce their own steel billets from scrap iron — a waste product of development. This essential raw material is currently being imported from Europe and India.

Speaking on the proposed project, Mr. Christian Rouchier explained that the Electric Arc Furnace Project would enable Nepal to produce about 40,000 tons of steel per year. Besides making Nepal self-sufficient in steel, it would also help other subsidiary industries, both external and internal. When asked what he thought of the Investment Promotion Meeting he said, "we are very impressed by the goodwill shown by His Majesty's Government and the realistic attitude taken by both the Government as well as

the sponsors." He explained that Danieli & Co., which started 70 years ago had invented the concept of mini-steel mills. Since then they have set up similar ventures in 73 countries all over the world, which accounts for over 40% of the total world number. He further added, "the climate for investment in Nepal, besides being timely, seems to be better than in other countries in this area. However, the success of this industry will depend a lot on the reliability and continuous supply of electricity, which is the key raw material we use," he said.

Speaking on the Investment Promotion Meeting and the role UNIDO played in it, Mr. Becker-Boost-Director, Investment Co-operative Programme (UNIDO)—said that the problems faced were of finance, where funds were low and the cost of preparation was larger than the financial benefits for foreign investors. Secondly, since UNIDO was not interested in large multi-

national companies and chose only such companies that were of medium size, almost equal to the size of the Nepalese counterparts, those companies faced problems of dispatching manpower during the time of setting up new ventures. The third problem that he pointed out was that of the language barrier. "So", he explained, "it was not so much a problem of unwillingness, but that of a number of small obstacles that stood in the way of investment promotion in Nepal." This, he said, could be overcome in time. Speaking on other areas of investment incentives and problems faced, he brought forward the examples of Hong Kong and Singapore and said, "it is now more important to remove the disincentives, if any, than to start with industrial incentives" referring to the obstructions that could come in the way of those interested in investing in Nepal. (BS)

CSO: 4600/630

DESERTS SAID EXPANDING: NATIONAL POLICY URGED

Kathmandu THE RISING NEPAL in English 22 Jun 84 p 5

[Text]

The process of desertification, largely brought about through human activity, is steadily assuming critical proportions in Nepal. Lack of vegetation cover has accelerated run off, washing of top soil and flooding of rivers. The process of soil erosion is strikingly seen in the Karnali basin, where the river shifts 75 million cubic metre of sediments annually, equivalent to 1.7 m. layer of whole catchment area!

Another example is that of the Kosi river which has shifted 115 km. westwards leaving 15,000 sq. km. of once fertile land buried under a mass of sand and rubble and displacing 6.5 million persons in downstream areas. Large areas in Nepal are showing symptoms of an accelerating desertification process.

Of Nepal's total area of 145,302 sq. km., a full 10,360 sq. km. in the vicinity of Okhaldhunga, Salyan, Sarlahi and Mahottari are exhibiting symptoms of desertification. This impending ecological disaster is the principal cause for large scale migration to the Terai over the past decades. As noted US environmentalist Erik Eckholm has said: "Mountain people have little choice but to follow their soils down the slopes." The movement simultaneously adds new pressures to the lowland ecosystems, which are often already under stress.

In Nepal, the regions undergoing various stages of desertification and their

effects are found in the following regions.

(a) Trans-Himalayan regions. In most of these areas, the livestock population exceeds the carrying capacity of the pastures. Overgrazing has led to widespread denudation.

(b) Parts of the humid mountains and hilly regions where, as result of population pressure on land, accelerated soil erosion and frequent landslide, degradation of land and declining productivity have been reported. Soil loss is an annual 20-25 tons per hectare, which is 20 times the weight of the rice crop produced by the land. According to a study, 47 percent of the landslides in Nepal are geological in origin and the remaining 53 percent are man-made. The highest frequency (76%) is in the Siwaliks.

(c) In the Terai, deposits of silt along river-beds and some wind erosion in the dry season have exacerbated the problem. Terai rivers cannot contain the high runoff during the monsoon (200 times that during the dry season). Deforestation increases the incidence of landslides and flooding of the rivers due to increased run off. The top soil is slowly removed and poorer soils which absorb less water replace it. This means aquifers receive less water during the monsoon. This is best seen at Godavari (Naudhara) where only three out of nine ceremonial water spouts retain water. The rest have gone dry for the first time in living memory due to

denudation on the hill slopes above the taps.

Accelerating population growth has increased the demand for fuelwood which is the source of energy for nearly 90 percent of the people. This has led to wide scale forest clearance. At the existing rate forests will almost disappear within two decades in Nepal. Besides creating serious energy shortage forest destruction is causing widespread soil erosion, and the fuelwood situation is critical in most of the hilly areas. In the Rapti Integrated Development Region (five districts—Dang, Salyan, Pyuthan, Rolpa, Rukum), there is an overall deficit of 5,43,000 cu.m. of fuelwood. The forest coverage in Nepal has shrunk by over 50 percent over the past decades, and it is estimated that 1.3 million hectares of land need to be planted with trees (which is exclusive of plantation activity required to meet the demand of industrial timber).

However, existing programmes are expected to cover no more than 34,000 hectares. The forest cover in the hills has to be extended from the existing 20 percent to 60 percent of the land areas if future energy needs are to be met. On the whole, there is a national fodder shortage of 20 percent at present consumption levels. In the midlands, large tracts of broadleaf forest have been destroyed which have aggravated ecological problems.

Nepal Himalaya has been subjected to continuing pressures by man and livestock. This intense biotic pressure has resulted in cultivation on steep land which accelerates the process of soil erosion. In Mustang, for example, forests cover 5% of the area as compared to 30 percent under pasture. The cycles of drought and famine are the result of the change in the ecosystems and hence the need to practice eco-development activities, such as construction of hydro-power dams, mining, road building, irrigation should only be initiated after a thorough assessment of its impact on the environment.

Development programmes should be economically viable as well as environmentally sound. All major development projects should be

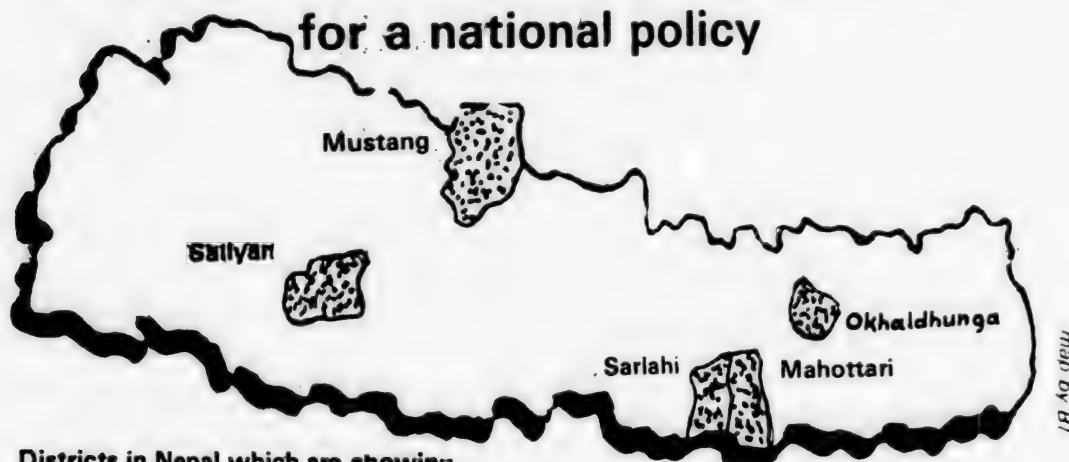
subjected to Environment Impact Assessment. This is especially important in case of hydro-power, cement, stone quarry, mining, leather, paper and pulp. If the cement plant at Chovar continues to belch out toxic wastes into the atmosphere, the leather plant at Bansbari discharges its effluents into the soil, resulting pollution of water and the atmosphere within the capital valley will be serious.

The multi-purpose hydel projects are often plagued by problems resulting from the degradation of the catchment areas. Problems arise on account of heavy silting of the dams, not anticipated at the time of design, often 200 to 450 percent higher. The story is repeated in endless projects. The Chandra canal, completed in 1970 at a cost of Rs 130 million malfunctioned because of heavy silt load. The Kosi River, it is said, is capable of carrying 26,000 cu.m. of water and 50 tons of sand and silt every second. Kosi catchment is one of the most heavily eroded regions of Nepal. Here flood prone areas are increasing each year due to destruction of forests in the hills as well as the foothill region. Heavy silt load in the rivers reduces their carrying capacity of rainwater.

Flood control can be achieved through a combination of engineering and ecological measures and demarcation of floodways in the catchments and the like downstream. A working group on flood control elsewhere estimated that "through adoption of soil conservation practices over 3.36 m.ha., the annual watershed retention can be increased from 3,360 million cu.m. to 10,080 million cu.m."

Proper resource management is the key towards 'an economically viable and environmentally sound' development. In any scheme of resource management, soil conservation occupies a central role. A soil conservation policy provides the essential framework to improve available forest and land resources—both qualitatively and quantitatively. Such a policy should aim at improvement in the yield of crops through adoption of better varieties of crops and inputs as well as employing efficient management. Application of scientific knowledge and know-how can ensure that programmes

The deserts in Nepal are expanding, says Dr. D.D. BHATTA, and there is need for a national policy



Districts in Nepal which are showing symptoms of desertification.

meant to restore, improve and enhance the resources—land, forest and water can be successfully implemented for the sustained development of Nepal.

The IUCN in consultation with His Majesty's Government, has strongly endorsed such a measure. Naturally such a body besides being close to the National Planning Commission should draw detailed plans in the field of conservation and carry out periodic evaluation of activities undertaken by technical and line agencies. But most important of all, without building of a strong base of science and technology in the field of resource management, programmes such as these will remain only on paper.

The setting up of the King Mahendra Trust for Nature Conservation under the Chairmanship of His Royal Highness Prince Gyanendra can be regarded as a landmark of the conservation movement in Nepal. The trust has set the objective of mobilizing public support through conservation education and programmes involving individuals and local institutions as well as eminent conservationists of the world. Based on a talk given by the author, a noted ecologist, on World Environment Day, 1984.

NEPAL'S EFFORTS IN NATURE CONSERVATION HIGHLIGHTED

Kathmandu THE RISING NEPAL in English 3 Jun 84 pp 1, 6

[Text] Prince Gyanendra Addresses London Gathering

His Royal Highness Prince Gyanendra Bir Bikram Shah Friday told a distinguished gathering including leading conservationists, in London, "let us unitedly bring about a qualitative change for posterity by leaving behind a legacy of a world blossoming and thriving in nature's riches."

Speaking at the dinner hosted in honour of Their Royal Highnesses Prince Gyanendra and Princess Komal by Royal Nepalese Ambassador and Mrs. Pandey in London, HRH Prince Gyanendra said, "we must not be found by future historians as a generation that brought about the destruction of our heritage."

His Royal Highness said forming a transition zone between the two biotic provinces of north and south in Asia, Nepal offers a unique opportunity for the study of the zoo-geography of our planet. In a width of less than a hundred miles we experience diverse ecosystems stretching from the tropics to the trans-Himalayan regions.

This very land mass is home to the prehistoric rhinoceros, the gigantic but diminishing Asiatic wild elephant, to the endangered and elusive snow leopard, as well as to the red panda. For

those of you who are interested in avi-culture, Nepal offers and has recorded over eight hundred species of birds. Nepal's treasure-trove of endemic flora has been aptly immortalized by Kipling in his now famous verse that the wildest dreams of Kew are the facts of Kathmandu—though it seems his knowledge of geography could not match his poetic genius, HRH added.

His Royal Highness said, it is inadequate, simply to say, that we are blessed with these gifts of nature. The adage that what man proposes god disposes may not always hold—specially with man's relation with nature recent history bears witness to the fact that mankind in his pursuit for progress has, more often than not, become reckless with his natural surroundings and mismanaged his environment. This has aggravated the situation further.

Referring to some of the progress Nepal has made in the field of nature conservation, HRH said, "we are more than ever convinced of the need to restore an intricate balance between man and his environment as has been evident in our perceptions as well as in our own programmes. We are fully resolved to bring about a balance between basic human needs for survival and modernisation on the one hand and conserving the environment on the other."

"It is this realisation that led us to the endorsement of the principles of the world conservation strategy sponsored by the International Union for Conservation of Nature and Natural Resources. We are also in the process of forming our own national strategy to meet these goals," added HRH.

He said a task as enormous as this cannot be

accomplished by governments alone. It must invariably embrace the will and support of people at every level and fully aware of this, we in Nepal have only recently adopted the concept of a trust, which will bring within its fold individuals and institutions at home and abroad.

Talking about the "institution of great importance recently established in Nepal the King Mahendra Trust for Nature Conservation," HRH said, "the significance that our leadership has attached to this Trust is evident from the fact that His Majesty King Birendra has graciously consented to be its Patron."

"A true conservationist- His Majesty's patronage and guidance will remain a continuous source of encouragement and inspiration to all of us who are dedicated to this noble cause. Nepal's national resolve and seriousness is fully reflected by the fact that despite competing demands under conditions of serious resource constraints, His Majesty's Government of Nepal has made an initial contribution of over three hundred thousand Pounds to the Trust towards the task of fulfilling its objectives," HRH pointed out.

"In my capacity as the

foundation Chairman of the Trust, it gives me immense pleasure to invite you all to join me in this challenging venture. This trust is an autonomous, non-governmental and non-profit organisation. It aims to achieve its conservation objectives by mobilising popular support and active involvement of individuals and local institutions. The trust will be governed by an autonomous board of trustees that will include known and committed conservationist worldwide. It is also empowered to raise funds nationally and internationally from public and private sources. All these features are incorporated in the legislation that was enacted by our elected legislature."

"I am personally aware that few nations can match the love of nature as you do. I come to you not only because of the long history of our amicable relations subsisting between our two Kingdoms, but also because as a conservationist, I am eager to learn from you and seek your cooperation in achieving the goals of our Trust."

HRH noted, modest as it is, we are nevertheless encouraged by the gains we have made in this field. The challenge that lies ahead leaves no room for complacency. What we can

achieve through co-operation, by transfer of resources, and by sharing our experience and expertise, is vital for our future success. As the world marches towards a more prosperous society, we must bear in mind that development of all that which we hold dear must simultaneously insured through conservation."

On behalf of the British guests Lord Hunt, leader of the 1st successful Sagarmatha expedition, thanked Their Royal Highnesses for their gracious presence and welcomed the establishment of the King Mahendra Trust for Nature Conservation as a unique and timely institution.

Earlier, Royal Nepalese Ambassador Iswari Raj Pandey observed, His Royal Highness's love for nature is wellknown. He has been deeply involved and instrumental in Nepal's National Park and Wildlife Conservation Programme for over a decade. He has led the Nepalese delegations to many international conferences and has travelled extensively throughout Nepal and abroad. It is in this fitness of things that our august sovereign, His Majesty the King of Nepal has nominated His Royal Highness the Chairman of King Mahendra Trust for Nature Conservation.

GOVERNMENT EXPRESSES INTEREST IN 16 PROJECTS

Kathmandu THE RISING NEPAL in English 8 Jun 84 p 1

[Text]

Out of the 53 projects put forward at the Investment Promotion Meeting which concluded Thursday, His Majesty's Government has decided to issue letters of intent to 16 projects from 8 countries.

According to a spokesman of the Industry and Commerce Ministry, another 25 or so projects are under active consideration, which would then bring the total to represent 89% of the targetted projects amounting to over 100 million US dollars to be brought in by way of foreign investment into Nepal. Besides this, 12 parties have shown interest to make further studies and analysis of 21 local projects with their Nepalese counterparts.

Among the 16 projects granted letters of intent, six are from India - dealing in Wood Stock Sheets, Concrete tubes, Offset Press, Integrated Textile Mills, Diesel Pumps and Electric Fans. Three projects proposed by Pakistani investors are manufacture of saris, Integrated Textiles and Readymade Garments. From Japan permission has been granted for the manufacturer of G.L.S. Lamps and Electrical

Appliances. Hungary has also proposed to manufacture GLS Lamps. From Indonesia investors have proposed to manufacture readymade garments, while from Singapore investors are planning on a Wet Cell Battery manufacturing plant in Nepal. From United Kingdom a project to manufacture Telephone Sets has been agreed upon while an investor from United States has agreed to collaborate upon a Soyabean Milk manufacturing plant.

At the concluding function, Mukunda Bahadur Basnet, Vice-Chairman of the Investment Promotion Meeting Preparatory Committee and Assistant Minister of Industry and Commerce, after expressing his gratitude to UNIDO, UNDP and UNICEF and participants said: "Under the able and dynamic leadership of His Majesty the King, we are all today making determined efforts

for rapid economic development."

He added, "We are fully committed to create an even more congenial atmosphere and appropriate base for attracting foreign investment in Nepal".

Also speaking on the occasion, Mr. R.D. Sharma, Deputy Secretary General of the Investment Promotion Meeting, mentioned that during the 3 half days arranged, over 250 bilateral discussions were arranged between 58 foreign and 76 Nepalese participants.

He said, "I would like to emphasize that there will be a constant follow up from the side of the Ministry of Industry and Commerce". He added that the Ministry was always prepared to help towards making various ventures a success.

Mr Habab Khoudja, representing UNIDO (United Nations Industrial Development Organisation), gave a brief history on

the development of the Investment Promotion Meeting which began 3 years ago and the role UNIDO and other related agencies played and said: "The presence of 44 representatives from Hong Kong, India, Indonesia, Pakistan, Republic of Korea and Singapore shows that South-South co-operation is gaining momentum and that the dialogue is not limited to the traditional North-South one, but expanding between developing countries as well".

Mr John FcMartin, Industrial Cooperation Adviser of ESCAP (Economic and Social Commission for Asia and the Pacific) said: "It is a catalyst in a process which has been gaining momentum and which must now continue".

Other speakers who expressed their views were Iftikhar Soomro of Pakistan, Guy de Fontagailand of Belgium and T. Buchacz of Poland on behalf of foreign participants. They expressed their gratitude and commended the organisation and smooth running of the Meeting.

CSO: 4600/630

NUMBER OF TOURISTS SAID UP IN 1983

Kathmandu THE RISING NEPAL in English 17 Jun 84 p 1

[Text]

Tourism in Nepal registered a 2.3 per cent growth in 1983 compared to the international arrivals in 1982. But the earnings of foreign currency from the industry during the year fell by 0.6 per cent over the earnings of 1982.

According to the Tourism Department, international arrivals (including the arrival of Indian tourists coming by air) in 1983 totalled 1,79,405, up from 1,75,448 in 1982.

Tourism earnings in the year fell by 2.7 million rupees, or to 491.07 million rupees from 493.84 million rupees in 1981-82.

Of the total arrivals 1,11,405 were males while 68,000 belonged to the fair sex.

In terms of age group, people between 16 and 30 years of age visited the country the most. There were 60,638 persons in this age group.

While Indian Airlines continued to carry the maximum number of visitors (76,347), the national flag carrier carried 50,711 persons. Next to the Royal Nepal was the Thai International (17,624) followed by Biman (4,255). The Pakistan International Airlines which began its Kathmandu-Karachi weekly service in April last year carried 584 persons, according to the Department.

"Pleasure" was the main "purpose" of 1,32,350 persons visiting Nepal while mountaineering and trekking was the purpose of 24,198 persons.

Monthwise, October drew the maximum number of tourists (24,380), followed by November (18,518) and March (17,928).

India sent the highest number of visitors in 1983 with the total Indian arrivals (overland arrivals not

included) totalling 54,201.

The United States (16,796) was second and France with 16,641 ranked the third. West Germany and the United Kingdom with 13,155 and 11,923 were next in the line after France.

In terms of growth rate the year 1977 with the growth rate of 23 per cent stands as a record growth of international arrivals, the Department said. In terms of total arrivals, however, 1983 show the maximum visitors coming to Nepal.

It was only in 1981, that Nepal's tourism registered a 0.8 per cent fall over the figures of 1980.

Since organised tourism started in Nepal in the late fifties, there has been a continuous growth in international arrivals.

In 1962, figures of which are available with the Department only 6,179 persons visited Nepal which more than doubled in 1966.

EXPORTS SHOW UPWARD TREND

Kathmandu THE RISING NEPAL in English 13 Jun 84 pp 1, 6

[Text]

After a slow growth rate in the past few years, Nepal's overseas export in the first nine months of the current fiscal year showed a definite upward trend.

According to the provisional figures provided by the Trade Promotion Centre, the country's total overseas export stood at 330 million rupees up from 200 million rupees during the corresponding period of the last fiscal year. This is 66 percent higher than last years figures.

According to informed sources there has been a phenomenal growth in the export of carpets, leather and leather goods, handi-craft products, paper and agricultural products.

Competent foreign trade authorities also attribute the growth rate to the arrangement for providing ten percent cash incentives to exporters by the Government.

The strength of the American dollar in the international monetary market they say was also favourable to Nepal's export trade since it is the 'base

currency' for the Nepalese overseas trade.

Under the nine-point programme, His Majesty's Government last year announced that it would give 10 percent cash incentives to exporters in order to boost exports of Nepalese goods. This sources said it had positively contributed to enhancing export earnings.

Because of a good harvest this year, export of agricultural products, specially pulses, has also grown tremendously. Agricultural products alone registered a 173 percent growth rate during the period, it is stated.

According to TPC Nepal exported a total of a little less than 100,000 square metres of carpets worth 91 million rupees during the first nine months of the last fiscal year which has now recorded a 116.4 percent increase with the total value of carpet export alone totalling 198 million rupees (200,000 square metres).

The export of leather and leather products also

increased by 60.3 percent over the figures of last year. This year's total leather export, where the goat-skin had the major share, was about 100 million rupees.

Similarly, export of the Nepalese handicraft products had also increased to about 10 million rupees, up from 6.7 million rupees last year.

There was a marked improvement in the export of pulses which showed a 174 percent growth rate. Nepal exported a total of 544 metric tonnes of pulses of various kinds and earned about 4.6 million rupees worth of foreign currency from this.

Paper and Paper products also increased by 64 percent, TPC said.

However, the export of

raw jute and garments was down.

While Nepal exported 4011 metric tonnes of raw jute worth 13 million rupees during the first nine months of the last fiscal year, this year's tally was nil. Sources attributed this to a fall in the production of raw jute in the country.

The export of garments (Rs 10 million) fell by 17 percent compared to last year (Rs. 11.9 million).

As on the export front, sources said that the country's imports were also showing some improvement.

Nepal's total imports during the period was 2276 million rupees, a 5.3 percent fall from the 2403 million rupees last year.

INDUSTRIAL DEVELOPMENT: REGIONAL INEQUITIES DISCUSSED

Kathmandu THE RISING NEPAL in English 18 Jun 84 p 2

[Editorial: "Industrial Development"]

[Text]

The nation's single largest institution concerned with industrial development, the Nepal Industrial Development Corporation (NIDC) has recently completed twentyfive years. It should thus be timely to focus on some aspects of NIDC's functions and performance. One may begin by noting that NIDC has helped in the setting up of 830 industrial projects in the country for the establishment of which it made available over Rs. 637 million in funds. A significant chunk of this very considerable sum — or, Rs. 629.1 million to be precise — was invested in the setting up of 416 industrial ventures, small, medium, or big. The remaining Rs. 8.7 million was utilized in the setting up of 414 cottage industries throughout the kingdom. Needless to emphasize, the tourism industry received the bulk of the Corporation's total investment amounting to no less than 37.1%. Next in line figured agro-based industries with 36.8%, followed by industries based on mines and geology with 12.7%, miscellaneous industries 8.9% and forest-based industries 3.2%. This disbursement of funds, looked at from a regionwise basis, shows that 75% of the institution's investments were made in the Central Development Region. This contrasts most strikingly with the investment ratio in other development regions. Thus, it is noted that the Eastern Development Region trails along with a mere 11.5%, the Western

Development Region with 10.1%, Mid Western Development Region with a breathtaking 1.9% and the Far Western Development Region with an even lower investment percentage of only 1.3%.

Much might have been contributed to this glaring inequity in regionwise investment percentage by the Corporation's policy of providing loans only to cottage and rural industries to be set up within an industrial estate. But now that this policy has been changed and the said financing agency willing to provide loans to such industries with an estimated project cost of Rs. 100,000 or above, even at sites where no industrial districts have been set up, reasonable belief may be entertained that this imbalance will be lessened, if not eliminated altogether. The regionwise investment disparity might, however, also be contended to be an unavoidable characteristic. For, it is not only in industries alone that the Central Development Region has a lead over the other regions. The existence of a suitable infrastructure is also, none would refute, determinative of where industrial ventures will be attracted to and have a higher chance of successful implementation. Looking at the issue from this angle, it should not be surprising that industries tend to gravitate towards sites with greater infrastructural requisites.

This apart, the tendency to jubilate solely on the basis of increased industrial ventures undertaken in the country needs to be restrained, what with reports circulating that some industries are functioning with as little as ten per cent optimum capacity. As the Minister for Commerce and Industries Mr. Narayan Dutta Bhatta rightly pointed out, due attention needs to be directed towards solving problems confronting existing industrial enterprises. This is sound advice and needs to be borne in mind when considering the subject or prospects of industrialisation in Nepal, a field where institutions like NIDC have played a significant role.

MINISTER DISCUSSES POLICY TO HARNESS WATER RESOURCES

Kathmandu THE RISING NEPAL in English 22 Jun 84 pp 1, 8

[Text]

The Minister for Water Resources and Supplies, Mr Pashupati Shumsher J.B. Rana, has said that the policy of His Majesty's Government is to harness the Kingdom's water resources for the economic and social development of the country.

Commissioning the 'Reinforced Kathmandu Valley Power Distribution Project and the Thapathali Sub-station' in the Capital Thursday, Minister Rana pointed out that the utilisation of the electricity to be generated from water resources and provision of irrigation facilities can become the strong foundation for the economic development and for raising the living standard of the people.

Mr. Rana also pointed out that it was the policy of His Majesty's Government to harness the abundant hydro-power potential for the benefit of the Nepalese people and also provide energy to neighbouring countries for contributing to their development.

To realise this objective, he pointed out that the resources of the country were

not adequate. Therefore, Mr Rana said that Nepal expected the cooperation and assistance from its friendly countries.

Mr Rana highlighted the assistance received in this direction from Japan which has provided assistance for the project commissioned by him Thursday.

He said that His Majesty's Government was effortful to complete those projects being implemented with its own resources or through the cooperation of other countries in time. For this he cited a number of measures taken by the Government.

The Minister said that His Majesty's Government had taken steps to expedite the work relating to the awarding of contracts, evaluation of projects by a high level technical committee before deciding on them, to monitor the progress of the project and work out on time difficulties confronting a project.

The experiences of the past one year showed that these and other efforts have contributed positively, he added.

Mr Rana also highlighted Nepal—Japan cooperation and pointed out various projects which were implemented in the Kingdom with the assistance of Japan.

After commissioning the sub-station the Minister also inspected the sub-station.

The Japanese Ambassador, Mr Kazuo Kaneko, underlined the significance of the project and informed that three Japanese companies were associated with the Project.

Under the project, the Japanese envoy said, underground cables were laid and overhead lines

stretched to make the distribution system efficient.

He said that the project would not only contribute to modernize the daily life of the people of the Kathmandu Valley but also to further strengthen the relations between Nepal and Japan.

In his welcome address, Acting Chief Engineer of the Department of Electricity, Mr. Badri Man Singh, informed that the project also supplies electricity to 17 villages in the Kathmandu Valley.

The Project Engineer, Mr Hari Om Shrestha presented the project report.

CSO: 4600/631

BRIEFS

ADHIKARI REAPPOINTED BANK GOVERNOR--His Majesty's Government has reappointed Mr. Kalyan Bikram Adhikari as the governor of Nepal Rastra Bank in accordance with the Nepal Rastra Bank Act, 2012 (including amendments) provisions. Mr. Adhikari had been appointed governor in June 1979. [Text] [Kathmandu THE RISING NEPAL in English 11 Jun 84 p 1]

CSO: 4600/630

PLANNING MINISTER DISCUSSES 1984-85 ANNUAL PLAN

Karachi BUSINESS RECORDER in English 17 Jun 84 pp 1, 8

[Text]

ISLAMABAD, June 16: The Federal Planning and Development Minister, Dr. Mahbubul Haq, said here today. The 1984-85 annual plan would greatly accelerate development spending, reduce external dependence, increase incomes and jobs, overcome the present energy crisis, bring more development and public services to rural areas, accelerate the development of less developed regions, liberalise investment opportunities for the private sector, and improve the living standard of the common man.

Speaking on the annual plan for 1984-85 at a press conference at the auditorium of the Planning Commission today, he said the targets set include the production of 13 million tons of wheat, 3.5 million tons of rice, 5 million bales of cotton and to achieve other agricultural targets, to increase industrial production by 9 per cent, exports by 21 per cent and total planned expenditure by 23 per cent.

Speaking on the Annual Plan for 1984-85 at a Press conference Dr. Haq, said the annual plan was courageous and realistic and was an attempt to recover some of the ground lost in the current year.

"The targets set in the Sixth Five-Year Plan are difficult ones

additional jobs", he added.

He said the targets set include the production of 13 million tons of wheat, 3.5 million tons of rice, five million bales of cotton and to achieve other agricultural targets, to increase industrial production by nine per cent, exports by 21 per cent and total planned expenditure by 23 per cent.

Dr. Haq said the 1984-85 development outlays envisaged a total expenditure of Rs. 77.3 billion as compared to Rs. 62.9 billion actual expenditure during 1983-84. "To attain this overall increase of 23 per cent, we are increasing the ADP outlays (including additional recurring expenditure on education) by 18 per cent, public corporations'

and it will take every ounce of the national energy to attain 8.5 per cent growth in Gross Domestic Product (GDP).

He said all these targets and all this development spending were geared to one central objective: To increase incomes and jobs in the country. "If all the targets are fully attained, average annual family income will increase by Rs. 3317 in current prices and there will be eight to nine lakh

development programme by 20 per cent, private investment by 28 per cent and special development programmes outside the ADP by 150 per cent," he said.

He said the financial expenditure was falling behind the Sixth Plan phasing. "But this shortfall is marginal, not fatal". ADP outlays are falling short by 7 per cent and total planned expenditure by 5 per cent.

Dr. Haq said the plan was based on a significant reduction in our dependence on external

assistance. Domestic resources would finance 86 per cent of ADP, 95 per cent of private investment and 90 per cent of total planned expenditure.

In fact, the entire increase in development expenditure next year will be financed by mobilising domestic resources", he said, adding "with no increase whatsoever in external assistance".

MAJOR FOCUS

The Minister said our major focus next year would be on energy generation. About 41 per cent of the federal development outlays and nearly all of the increase in development expenditure was taken up by energy. "We intend to end the energy crisis in phases, by adding 585 MW by June 1985, 1285 MW by November 1985 and 1495 MW by Feb 1986. During the next 18 months, the energy crisis will Inshallah, be behind us, with more energy available for domestic, commercial and industrial connections.

"There is also a programme to drill 16 new wells so that the entire Sixth Plan targets for oil production may well be achieved during the second or third year of the plan", Dr. Haq said.

He said 42 per cent increase was provided in the expenditure on water-logging and salinity to complete three SCARP projects and to protect an additional 2.4 million acres.

"Despite limited resources, we have also provided 40 per cent increase in the education budget (including additional recurring expenditure) and 55 per cent in science and technology. These expenditures, are the real foundation of sustained development and prosperity".

Dr. Haq said the Annual Plan contained many other programmes in all fields and in all sectors of the economy. There were over 1,500 detailed projects in the Federal ADP alone, with special emphasis on rehabilitation of canals, building of foodgrain stor-

age, improvement of railways, accelerated repair of existing roads, completion of some major bridges like Ghazi Ghat and D.I. Khan - Darya Khan, completion of the Pakistan Steel Mill, completion of Children's Hospital, Islamabad complex and phase I of Ayub Medical College and provisions for more Government housing for low income groups.

Dr. Mahbubul Haq said that after a long interval of 25 years, the Government had released an industrial investment schedule of Rs. 130 billion providing a major expansion in private sector. "We expect total private investment to increase by 28 per cent with an increase of 35 per cent increase in industrial investment", he added.

The Minister said the Annual Plan for 1984-85 also aimed at greatly accelerating the pace of development in the less developed regions in the country. The development expenditure would be increased by 34 per cent in Baluchistan, 31 per cent in Tribal Areas, 21 per cent in Azad Kashmir and 42 per cent in Northern Areas.

"It is our fervent expectation that this annual plan will reach into the life of each and every individual in the nation", he said, adding "besides an increase in incomes and jobs, per capita availability of major food items — particularly milk and meat — is expected to increase by 31 per cent. 38 lakh additional children will be placed in schools. Full poly-immunisation coverage will be provided to all our children by 1985".

Dr. Haq said drinking water for additional 42 lakh people and sanitation facilities for additional 16 lakh people would be provided. One lakh additional urban plots would be developed. Three lakh new electricity connections would be given, he said, and added that 55,000 new telephone connections would be extended. More and better transport facilities will be provided. "Despite all this, during the course of the next year, you will have many occasions to complain about the

inadequacy and poor quality of some public services. I only hope that whenever you notice a little improvement in some spheres, you will also be so charitable as to say a silent prayers for the national planners", he added.

Agencies add:

Dr. Haq conceded that in the first two years of the Sixth Plan, financial expenditure was falling behind the Sixth Plan phasing. The ADP outlays were falling short by seven per cent and the total planned expenditure by five per cent, he said adding "we must make up this shortfall by improving the efficiency of development spending in 1984-85 and through increased allocations in the remaining three years".

Replying to a question, the Minister said that Government was not solely relying on external assistance to finance its development projects, but instead mobilising internal resources to meet these needs.

He said the 55 per cent increase in the allocations of science and technology would expand the programme of Pakistan Council of Scientific and Industrial Research and programme of appropriate technology; and setting up of the institutes of electronics, power, water-logging and salinity.

The major priority areas of 1984-85 ADP with their allocations are: power generation: Rs 4247 million; road repairs: Rs 50 million; canal rehabilitation: Rs 300 million; civil aviation: Rs 120 million; OGDC: Rs 2338 million; petroleum concessions: Rs 450 million; forestry: Rs 22 million; foodgrain storage: Rs 233 million; Ministry of Science and Technology: Rs 115 million; ports and shipping: Rs 261 million; accelerated programmes for water-logging and salinity: Rs 1500 million; railways: Rs 1362 million; nuclear, mineral survey and exploration: Rs 79 million; and Government servant housing: Rs 270 million.

CSO: 4600/633

1984-85 BUDGET: PRIVATE SECTOR EXPRESSES RESERVATION

Karachi DAWN in English 15 Jun 84 p 20

[Text]

KARACHI, June 14: The 1984-85 budget, which was announced by the Finance Minister Mr Ghulam Ishaq Khan, on Thursday, was welcomed by the private sector with some reservations.

While lauding the industrial investment orientation of the budget, the businessmen were apprehensive that the increase in gas and oil prices would unleash the process of price spiral.

The Chairman of the FPCCI Standing Committee on Taxation, Mr G.R. Arshad, said that the 1984-85 budget was not up to our expectation as it did not incorporate the major proposal of the Federation—reduction in corporate tax.

He also feels that the increase in oil and gas prices will have a similar affect on the prices of other commodities. The electricity prices will automatically rise with the increase in gas prices, he added.

Mr Arshad, who is also the former President of the Karachi Chamber, said that announcement of industrial policy was a step in the right direction as it would remove all doubts about the government's policy for industrialisation.

The Senior Vice-President of the Karachi Chamber of Commerce and Industry, Mr Haroon Rashid, hailed the 1984-85 budget and said that it was directed towards self-reliance.

He said that the budget was likely to accelerate the pace of industrialisation in the country and the extension of tax holidays would help in bringing the under-developed areas at par with the urban areas.

Mr Rashid also welcomed the reliefs given to the engineering in-

dustry, besides the pharmaceutical and dairy industry.

He said that setting up of an industrial policy committee was the step in the right direction and proposed that the private sector should be given full representation in the committee.

He said that the priority given to the power generation was a far-sighted move and would dispel the misgivings that there would be power shortage in the wake of industrialisations.

He criticised the levy of tax on fixed deposits and said that it would affect savings.

Mr Rashid was apprehensive that the increase in oil and gas prices would affect the prices of other consumer items.

The Chairman of the All Pakistan Textile Mills Association (Sind and Baluchistan Zone), Mr Bashir Alimohammed, was disappointed from the budget as "it ignored the textile sector".

He said that the textile sector was waiting all along for some reliefs in the budget after being through one of the most rough year, but the Finance Minister did not mention it at all.

He said the condition of textile mills in Karachi owing to bad season and FAC problem was really precarious and in this background mills were closing and laying off the workers.

Mr Alimohammed was of the view that the increase in gas and oil prices would further burden the textile industry as the cost of inputs would go up.

Asked about the Islamisation of banking, he said that it should be welcomed but hoped that the banks

would follow it according to the real spirit of Islam and would be prepared to share in losses.

The President of the Karachi Stock Exchange, Mr Aziz Patel, said that the budget did not give any incentive for the investment and capital formation.

He said that the Government had not listened to them and no relief on corporate tax was provided. He also lamented that the demand of the KSE regarding exemption of dividend income from tax was ignored again while making the budget.

He said that the budget would not bring relief to the middle income group on the contrary increase in gas and oil rates would affect them adversely.

However, he hoped that the various reliefs given for setting up a industry might create favourable investment climate.

A former President of the KSE, Mr Bashir Jan Mohammed, lauded the industrial orientation of the budget and reduction in tax incidence on the low-income bracket.

He said that fixed income people would be benefited by this action.

He regretted that the demand regarding reduction in corporate tax and exemption of dividend from tax was not entertained by the Government.

He said that the budget as such had not opened avenues for the capital formation.

He felt that the increase in oil and gas prices would definitely give way to increase in the prices of other commodities.

The Karachi Goods Carriers' Association has congratulated the Finance Minister for offering various concessions to the transport sector.

Mr Abdul Karim Panjwani called it a best possible budget which

could be presented by the FM of a developing country.

He feels that the 1984-85 budget was the best of the last seven budgets presented by Mr Ghulam Ishaq Khan.

The Railway Workers Union described the 1984-85 budget anti-workers. A press release of the Union said that the budget had completely ignored the workers who were groaning under the burden of rising prices.

The Railway workers said that while budget had not included announcement regarding increase in the salaries of workers it had withdrawn some of the facilities already availed by them.

The Mazdoor Rabata Committee of the Machine Tool Factory also criticised the budget and described it as an industrialist oriented budget. They felt that it did not give any relief to the common man.

APP adds:

Haji Hussain Shakoor, a former director and senior member of Karachi Stock Exchange, welcomed the encouragement given to the private sector in the Federal Budget. However, he said there was need for measures to promote capital formation in the country.

He hailed the incentives given to the engineering industries, which, according to him, had been "almost ignored" in the past.

Mr Abdul Jabbar Khamisani, a former President of Karachi Chamber of Commerce and Industry, welcomed the announcement of the new industrial policy.

He said that greater association of private sector in future industrialisation of the country would also be welcomed by all and sundry. He said that it would infuse confidence in the private sector.

NEXT YEAR SAID DEADLINE FOR BANKING ISLAMIZATION

Karachi DAWN in English 15 Jun 84 pp 1, 5

[Text]

KARACHI, June 14: A concrete and comprehensive programme to eradicate the interest-based system of banking was announced by the Federal Finance Minister on Thursday which envisages a "complete clean-up by the end of the next financial year."

Mr. Ghulam Ishaq Khan, however, explained that all the pledges made under the existing system would be honoured and dealings with foreign governments and international financial institutions will continue unchanged, until a system is evolved which is acceptable to both the parties.

"Islam stresses that all promises should be honoured, and we will do so for all our financial promises made to others," he said.

He said the Islamisation programme had been prepared in consultation with the State Bank of Pakistan and nationalised commercial banks and it will be effective for all banks and financial institutions including foreign banks operating in Pakistan.

Explaining the salient features of the programme, Mr. Ghulam Ishaq Khan said from January 1, 1985 all finances provided by the banking system to the government, public sector corporations and private and public sector joint stock companies, will be according to the tenets of Islam.

During the interim period, between July, 1984 to January, 1985, banks will have to continue interest-based operations along with interest-free banking but they will not be allowed to issue any new financial instrument valid for over six months, or to renew existing ones for a period extending over six months.

Mr. Ghulam Ishaq Khan said the six-month interim period was necessary so that the required amendments could be made in the applicable laws and other procedures are finalised.

From April 1, 1985, he announced that all finance provided to any person would be according to the Islamic system and from that date all dealings by the banks will be converted to conform to Islamic principles.

He said from July 1, 1985, banks will not accept any deposits based on interest. All savings will be accepted on the basis of profit and loss and in current accounts, no profits will be given.

Islamic modes of financing will also be extended to agriculture including the cooperative credit system.

The State Bank will also be given the powers to regulate the maximum or minimum rate of profit or return chargeable by the banks and

financing institutions, in trade-related and investment type transactions.

Trade-related modes of financing include purchases of goods by banks and their sale to clients with an appropriate mark up, leasing and hire purchase, financing of development of property on the basis of a development charge.

The mark-up on mark-up which was included in the earlier application of this system will be eliminated.

The investment type of modes of financing will be Mushaarika and profit-and-loss sharing, purchase of shares, participation term certificate, Modaraba certificate and rent sharing.

In case where profit participation is not possible or appropriate, banks will provide loans without interest.

However, banks will be entitled to recover a small service charge which would be determined strictly in line with the proportionate actual cost of the operation of the banks or financial institutions.

In case of genuine need, Qarz Hasna would be provided which is advanced on compassionate grounds. In such cases even service charge would not be levied and the principal would be repayable if and when the borrower is able to pay.

9 ITEMS SAID TO ACCOUNT FOR 62 PERCENT OF EXPORTS

Karachi BUSINESS RECORDER in English 17 Jun 84 p 3

[Text]

Pakistan's reliance on a few export products remains relatively large. Nine major products still account for about 62 per cent of the total export, lower than the 70 per cent observed in 1969-70, an official study said.

Keeping in view the structure of exports, the main contribution to export earnings accounting for 68 per cent of the incremental value came from rice, cotton yarn, cotton cloth, leather and carpets, rugs and mats. The aggregate value of these commodities at Rs. 13,206 million registered an increase of 50.6 per cent during July-March 1983-84 over the aggregate value of Rs. 8,770 million during July-March 1982-83.

Although major exports still account for about two-thirds of export earnings, the fact remains that over the last decade or so, exports of miscellaneous items have also increased rapidly.

The country's development

efforts have met with success as the establishment of various industries have been instrumental not only in the savings of foreign exchange resources of the country but they have been able to export surplus agricultural and new industrial commodities.

New items such as wheat, sugar, coke, pig iron, billets of iron and steel and urea have been added to the export list in recent years. During July-March 1983-84 export value of these commodities aggregated to Rs. 1,244.75 million accounting for 4.5 per cent of the total exports as against Rs. 227.80 million during the corresponding period last year.

The study noted that the over the years, the economic classification of exports has undergone changes as a consequence of diversion in the production patterns of the economy.

The share of primary commodities, which was 33 per cent of the total exports in 1969-70 rose

to 42 per cent in 1979-80 and then fell to 30 per cent in 1982-83, reflecting the significance of declining reliance on the exports of few primary commodities.

The share of semi-manufacturers which was 23 per cent in 1969-70 declined to 15 per cent in 1979-80 and further to 13 per cent in 1982-83. However, the share of manufactured goods jumped from 44 per cent of the total exports in 1969-70 to 47 per cent in 1978-79 and 57 per cent in 1982-83. This can be mainly attributed to the large and diversified production base of the economy.

The share of primary commodities rose from 27 per cent in July-March 1982-83 to 31 per cent in July-March 1983-84. However, the share of semi-manufacturers declined from 15 per cent to 14 per cent in July-March 1983-84. Similarly, the share of manufactured goods also fell from 58 per cent in July-March 1982-83 to 55 per cent in July-March 83-84.—PPI.

CSO: 4600/633

BUDGET SAID TO LACK 'BASIC ISLAMIC THRUST'

Karachi DAWN in English 15 Jun 84 p 20

[Text]

KARACHI, June 14: Prof. Khurshid Ahmad, former Deputy Chairman of the Planning Commission, has said the 1984-85 Federal Budget, designed with the traditional bureaucratic approach, is devoid of the basic Islamic thrust towards an equitable and just economic order.

Failing in its primary duty to cater to the day-to-day needs of the common man, the new budget, like its predecessors, is bedevilled with the capitalistic concept of the 'users' cost, he pointed out. With no relief offered, it is not the poor man's budget while, on the other hand, the overburdened tax-payer is asked to pay more and more for the public utility services rendered.

Prof. Khurshid, a leading economist, made these observations before the newsmen at Mid-

way House, Karachi airport, before his departure for Jeddah on Thursday evening.

Besides he said the new budget pays little attention to evolving a balanced income-cum-wages policy. The wages structure is far less proportionate to the ever-rising inflation.

Prof. Khurshid regretted that the ceiling of tax exemption limit for the salaried class had not been raised. For 10 years this ceiling remained fixed at Rs 12,000 and was raised to Rs 18,000 only last fiscal year. Pakistan thus cuts a sorry figure compared to Bangladesh and Sri Lanka where much greater relief has been provided to the salaried class, he pointed out.

Prof. Khurshid called for the expansion of cottage industry sector as well as for incentives to small traders.

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BRIEFS

PAKISTAN-USSR CONSTRUCTION AGREEMENT--MOSCOW, June 14: The USSR and Pakistan have agreed to cooperate in the construction of integrated house building works in Pakistan, and in further prospecting for oil and gas. This was stated by Mr. I. Mineyev, Head of the Department for Economic Cooperation with South and South-East Asia, USSR State Committee for Foreign Economic Relations. He said, the two countries also agreed to study the possibility of cooperation in the construction of the Kalabagh Hydropower Station, the delivery of two generating units for the Mangla Hydropower Scheme and in building a number of other projects. [Text] [Karachi DAWN in English 15 Jun 84 p 13]

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